

# DAILY REPORT

China

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WU XUEQIAN MEETS CHINESE COMMUNITY IN NEW YORK

OW201337 Beijing XINHUA in English 1248 GMT 20 Sep 84

[Text] United Nations, September 19 (XINHUA) -- Chinese State Councillor and Foreign Minister Wu Xueqian met representatives of Overseas Chinese and public figures in New York at a reception given by the Chinese Consulate-General here this evening. Wu acquainted the guests with the dramatic changes in the China's countryside and the reform now being put into effect in the cities.

Among the more than 200 guests were Chinese-American architect I.M. Pei and physicist Chen Ning Yang, leaders of some 20 Chinese and Overseas Chinese organizations, and Chinese from Taiwan now living in the United States. Chinese permanent representative to the U.N. Ling Qing, deputy representatives Lian Yafan and Xie Qimei, and Chinese Vice-Consul General in New York Ji Lide also attended the reception.

CHINA DAILY COMMENTATOR ON PEACE, DEVELOPMENT

HK210354 Beijing CHINA DAILY in English 21 Sep 84 p 4

[By CHINA DAILY commentator]

[Text] The United Nations General Assembly meets today for its 39th session amid increasingly acute tensions in the world. The two superpowers are vying for supremacy in an unending escalation of arms expansion. The competition is even moving now into the realm of outer space.

In the economic sector, while there has been a slight and as yet uncertain recovery in most developed countries, many developing countries are still faced with difficulties. The debt problem continues to be a cause of worry. Some of the least developed countries are threatened with drought and even hunger.

All these facts serve to underline the statement of UN Secretary-General Javier Perez de Cuellar that we still have a long way to go to solve the problem of international peace and development.

**Tensions**

China always holds that the rivalry between the two superpowers for global hegemony is the root cause of international tension. To ease these tensions, China considers it imperative, first and foremost, to put an end to the arms race between them and to the local wars instigated or supported by them in Southeast Asia, Southwest Asia, the Middle East, Southern Africa and Central America, and to eliminate the turmoil resulting from their rivalry.

The United States and the Soviet Union could begin to help ease tension in international situation by stopping to deploy new nuclear weapons in Europe, Asia and elsewhere, resuming talks aimed at substantially cutting down nuclear armaments, leading eventually to a general ban and total destruction of all nuclear arms.

China is in favour of reducing conventional as well as nuclear armaments. To begin with, the superpowers, having as they do between them more than 95 percent of all the nuclear warheads on earth, should take the lead in reducing them, and terminate forthwith their efforts to turn outer space into a new arena of arms race.

The active antagonism between the two major military blocs -- NATO and Warsaw Pact countries -- should be removed and the relations between East and West European countries should be allowed to improve.

Among the world's "hot spots," Kampuchea and Afghanistan should be freed from foreign aggressors, who have wrought havoc on the two peace-loving countries. Soviet and Vietnamese troops should be made to withdraw, not only to restore sovereignty and independence to the two invaded nations, but also to remove a constant threat to peace and security of all their neighbouring countries.

#### Historical Period

A direct cause for the prolonged tension and bloodshed in the Middle East is Israel's pursuit of regional hegemony. Without the consistent moral support and massive supplies of military hardware from the United States, Israel would not have been able to carry out its policy of armed expansion and unceasing encroachments on the territories of the neighbouring Arab countries.

As has been pointed out by Premier Zhao Ziyang, many Third World countries have entered a historical period in which their central task is the development of their national economies. They desire a rapid change of their state of poverty and backwardness, eagerly demand a transformation of the current unjust and inequitable international economic order, and strongly hope to strengthen co-operation with other countries in the Third World.

As a developing socialist country, China supports all developing countries in their efforts to establish a new international economic order. It also maintains that the effort to achieve this objective should be integrated with the solution of the pressing problems the developing countries face today.

The developed countries, the United States in particular, could contribute to easing the economic difficulties of many developing countries by a fair and rational solution of the serious debt problem that they are confronted with, and by removing trade barriers and discriminating restrictions on imports from developing countries, which will prove detrimental in the end to all, including developed countries themselves.

#### Five Principles

In the absence of "an accepted system of maintaining international peace and security," which the UN Secretary-General laments, the Five Principles of Peace Co-existence have stood the test of time and demonstrated their strong vitality. These principles, proposed by China together with India and Burma 30 years ago, are: mutual respect for sovereignty and territorial integrity, mutual non-aggression, non-interference in each other's internal affairs, equality and mutual benefit, and peaceful co-existence.

They are equally applicable to all countries, big and small, of the same or of different social systems. If all countries accept them as a general norm governing international relations, the purpose of the UN Charter will be realized and world peace will be secured.

#### PRC, DPRK DELEGATES GREET SIHANOUK IN NEW YORK

OW200914 Beijing XINHUA in English 0902 GMT 20 Sep 84

[Text] United Nations, September 19 (XINHUA) -- President of the Democratic Kampuchea Samdech Norodom Sihanouk arrived in New York today to attend the 39th Session of the U.N. General Assembly. President Sihanouk was greeted at the airport by Vice President of Democratic Kampuchea in Charge of Foreign Affairs Khieu Samphan; Prime Minister of the Coalition Government of Democratic Kampuchea Son Sann; and permanent representative of Kampuchea to the U.N. Thiounn Prasith.



Present on the occasion were also China's permanent representative to the U.N. Ling Qing; permanent observer of the Democratic People's Republic of Korea to the U.N. Han Yi-hae; and more than 200 Kampucheans currently residing abroad.

#### PRC DELEGATE TO UNESCO PRESENTS CREDENTIALS

OW200817 Beijing XINHUA in English 0749 GMT 20 Sep 84

[Text] Paris, September 19 (XINHUA) -- China's new permanent delegate to UNESCO Lai Hanxuan presented his certificate of appointment to Director General Amadou Mahtar M'Bow of the United Nations Organization in the UNESCO headquarters here this afternoon. M'Bow and Lai held friendly talks after the ceremony.

#### ATHLETES ARRIVE FOR NANJING INTERNATIONAL MEET

OW161905 Beijing XINHUA in English 1831 GMT 16 Sep 84

[Text] Nanjing, September 16 (XINHUA) -- Some top athletes, including men's highjump world record-holder Zhu Jianhua and former world record-holder Gerd Wessig, will lead the field in the Nanjing international athletics meet, which is to start here tomorrow evening. The two-day meet will bring together more than 140 Chinese participants and about 100 athletes from Australia, Djibouti, the German Democratic Republic, Britain, the Federal Republic of Germany, Italy, Japan, Pakistan, the Philippines, the Democratic People's Republic of Korea, Romania, Singapore, Thailand, the United States and Hong Kong.

China will enter three teams at the meet. They are national team, the combined team from various provinces, and the local Jiangsu provincial team.

With the latest arrival of Britain, Italy, the Philippines, the United States and Hong Kong tonight, all the participants have arrived. Many of them had training sessions just after their arrival earlier today.

32 events will be held in the meet sanctioned by the International Amateur Athletics Federation. Among the 5 contestants from the German Democratic Republic, Gerd Wessig held the men's highjump world record of 2.36 meters before Chinese Jumper Zhu Jianhua improved it in June last year. However, the two jumpers never competed together in the past years. Zhu Jianhua raised his own world record to 2.39 meters in June this year in the Federal Republic of Germany. But he only won a bronze medal at the Los Angeles Olympic Games last month. Wessig did not compete in the Olympics. With the withdrawal of Dietmar Moegenburg of the Federal Germany, the athletic circles here believed that Zhu and Weissig will challenge the title in the coming meet.

Among the powerful British participants, Daley Thompson, who won the Olympic champion in the decathlon in Moscow in 1980 as well as in Los Angeles, will compete in the 100 meter race, as the decathlon was not listed as a competitive event in the meet. The British team also included men's 1,500-meter world champion and Olympic silver medalist Steve Cram.

Djibouti has sent two runners to compete in China for the first time. Robleh Djama finished eighth in the Los Angeles Olympic marathon. This time he will run in the 5,000 and 10,000 meters. Another runner is Ahmed Saleh, national 10,000 meter race record holder.

The four-member Australian squad included high school teacher Heather Barralet from Brisbane, who finished third in the Commonwealth Games, while Romania entered two women, one hurdler and one longjumper.

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The Thai athletes included the Asian champion Sumet Prumana, whose best result was 21.39 in the men's 200-meter race. The eight Americans were considered much strong in the field events. Augie Wolf's best result is 20.93 meters in the men's shotput. Another American, Willie Banks, will compete in the men's triple jump.

According to the organizers of the meet, all tickets for the two day competition have been sold out two days ago. Tomorrow's programme are: men's and women's 100 meters, 1500 meters, 400 meters, 4 by 100-meter relay, men's 110-meter hurdle and 5,000 meters, women's longjump and javelin, men's shotput, discus, highjump and triple jump.

PRC REITERATES OBJECTIONS TO U.S. TEXTILE RULES

OW210240 Beijing XINHUA in English 0219 GMT 21 Sep 84

["China Reiterates Objections to U.S. New Textile Import Rules" -- XINHUA headline]

[Text] Washington, September 20 (XINHUA) -- The Embassy of the People's Republic of China sent a diplomatic note here this afternoon to the U.S. Department of State reiterating the Chinese Government's objections and strong dissatisfaction that the United States has maintained the September 7 effective date for the new customs regulations governing U.S. textile imports. The note pointed out that in the letter of August 15, 1984, Chinese Ambassador Zhang Wenjin noted that the "country of origin regulations, if made effective, would completely change the rules and the basis for quotas in existence and relied upon by the People's Republic of China at the time it entered into its bilateral agreement on textile products with the United States and would constitute a clear violation of that agreement."

The note quoted Zhang's letter as saying that "The adoption of these regulations would create serious difficulties in our textile exports to the United States and would jeopardize our mutual interests and trade relations as a whole." "The Chinese Government wishes to reiterate these objections and express its strong dissatisfaction that the United States has maintained the September 7 effective date for these regulations despite the objections set forth in Ambassador Zhang's August 15 letter," the note said.

It said, "The Chinese Government wishes to reiterate that the new customs regulations represent an unacceptable unilateral deviation from the bilateral textile agreement between our two countries, violating that agreement, MFA (Multi Fibre Arrangement) Articles 5 and 9 and Paragraph 23 of the protocol of extension." "Under these circumstances, the application of these new regulations by the United States will undoubtedly create negative results in our two-way trade. The United States must bear full responsibility for the consequences arising therefrom," it said.

The note concluded, "In view of the harmful effects on China's trade as a result of these unilateral U.S. actions, the Chinese Government wishes to request that consultations be held as soon as possible to negotiate appropriate compensation for such harm."

U.S. RETAILERS, FARMERS OPPOSE TEXTILE RULES

OW210255 Beijing XINHUA in English 1451 GMT 20 Sep 84

[Text] Washington, September 19 (XINHUA) -- U.S. retailers and farmers have once again voiced their strong opposition to the new restrictions on the country's textile imports, issuing a warning that the "country of origin" rules will "impose substantial costs on American society" and produce "negative effects on U.S. international economic and political interests."

In a statement issued yesterday to the Subcommittee on Trade of the U.S. Senate Financial Committee, the American Retail Industry Trade Action Coalition said the new rules, which took effect on September 7, constitute "substantial changes in long-standing customs policy" and "interrupt accepted, legitimate trade patterns."

Testifying before the subcommittee, Simeon Gluckson, representative of the textile and apparel group of the American Association of Exporters and Importers, said that the actions taken recently by the Reagan administration concerning textile imports are "unfair, arbitrary and unjustified."

As they violate both United States law and the country's international obligations, they will "not only hurt American voters but threaten the entire world trading order" as well, he stressed.

In his testimony, Jerry Franz, vice president of the U.S. National Corn Growers Association, said the new rules will demonstrate to China and other countries that the United States is an "unreliable buying customer." He urged the subcommittee to reject the pleas for further curbs on U.S. textile imports.

Earl Pryor, president of the U.S. National Association of Wheat Growers, expressed the fear that the "country of origin" textile rules will possibly force China to once again abandon the U.S. wheat market.

Richard Fink, president of the U.S. Citizens for a Sound Economy, said a sensible government policy toward the textile industry would "remove hindrances that make U.S. industries less competitive."

#### U.S. DECIDES NOT TO RESTRICT STEEL IMPORTS

OW191205 Beijing XINHUA in English 1152 GMT 19 Sep 84

[Text] Washington, September 18 (XINHUA) -- U.S. President Reagan today decided not to restrict U.S. steel imports by quotas and higher tariffs but to seek "voluntary limits" on steel exports from steel producing nations, U.S. international trade representative William Brock announced.

Reagan's decision was made at a meeting with U.S. Cabinet Council on Commerce and Trade concerning a proposal by the U.S. International Trade Commission in July for restricting steel imports. Reagan said the commission's proposal to put quotas and higher tariffs on 70 percent of all steel imports "is not in the national economic interest". He held that thousands of jobs in steel and other consuming industries might be affected by "compensation" or "retaliation measures" to be taken by trading partners.

Brock said the United States hopes to negotiate steel "surge control" arrangements with other steel producing nations in about 90 days, which eventually would reduce total U.S. steel imports to about last year's level of 20 percent of the domestic market. The European Community already has agreed to limit its steel exports to about 5 percent of the U.S. market. Japan, without formal agreement, has generally been limiting its exports to another 5 percent. U.S. steel imports have reached about 24 percent of the market this year and were an all-time high of 33 percent in July, said Brock.

#### STATE DEPARTMENT ON SPACE WEAPONS TALKS

OW190953 Beijing XINHUA in English 0712 GMT 19 Sep 84

[Text] Washington September 18 (XINHUA) -- The U.S. State Department said today that the government is still prepared to discuss outer space arms control with the Soviet Union, although planned talks in Vienna have failed to take place.

In an apparent attempt to shift the blame to the Soviet Union for the lack of progress in arms control talks, State Department spokesman John Hughes said the United States is not willing to agree to preconditions to a meeting. "While we have said that we would be prepared to consider what specific mutual restraints would be appropriate, we could not agree to that as a condition for having a meeting, nor would we agree to prejudice the outcome of any talks before they have even begun," Hughes said.



He said the U.S. Government wants to have discussions with the Soviet Union on "questions of mutual vital concern such as reducing nuclear arsenals in a balanced and verifiable manner." "We are prepared to talk about space arms control as well. We welcome any moves that would further that goal," he added.

Meanwhile, Ivan Kovalenko, deputy head of the International Department of the Soviet Communist Party's Central Committee, reportedly told the Japanese press that the United States should "take concrete steps to pave the way for normalization of relations between the two nations."

#### U.S. SCHOLARS URGE POPULATION, ARMS CONTROL

OW201151 Beijing XINHUA in English 1042 GMT 20 Sep 84

[Text] Washington, September 19 (XINHUA) -- Nineteen Nobel Prize winners and 175 leaders of about 100 U.S. environmental and arms control organizations joined today in a warning that an exploding global population and the nuclear arms race are both threats to the future of mankind. They made public a policy statement at the start of a five-day conference here on "the fate of the earth." The statement pointed out the dangers of a population explosion in areas of the world already facing chronic hunger, deteriorating soil for agriculture, and shortages of fuel, housing and fresh water.

"In the years ahead, unless humanity changes its ways, these people will be joined by billions more competing for dwindling or degraded resources," the statement said. The statement asks all nations to recognize "that a rational national security policy must freeze the arms race, reduce nuclear weapons stockpiles, prepare the economy for peacetime production and seek, in the long term, the universal abolition of nuclear weapons."

#### GNP STATISTICS SHOULD HELP REAGAN CAMPAIGN

OW210546 Beijing XINHUA in English 0232 GMT 21 Sep 84

[Text] Washington, September 20 (XINHUA) -- The U.S. gross national product (GNP) increased at an annual rate of 3.6 percent in July-September for an annual total of 1.64 trillion dollars, the U.S. Commerce Department reported today. The third-quarter figure showed a dramatic slowing from the 7.1 percent pace in the second quarter and the 10.1 percent rate for the first quarter of 1984. The report is based on data for the first two months of the third quarter and estimates for September, and is often subject to later revisions.

Commerce Secretary Malcolm Baldrige said the preliminary estimate for GNP growth "provides further evidence that the U.S. economy has shifted down to a more moderate and sustainable growth rate."

The administration predicted that the GNP growth for the whole year is likely to hit 7.2 percent, "the best performance since 1951," as compared with a 3.7 percent gain in 1983 and a 2.1 percent decline in 1981. The administration has assumed that the GNP will increase by 4.5 percent in the third quarter and 4.2 percent in the fourth this year.

"The Reagan administration hailed the news and private economists agreed that a president running for re-election could scarcely ask for a better performance," an AP dispatch wrote today.

SINO-U.S. MANAGEMENT TRAINING CENTER OPENS

OW181820 Beijing XINHUA Domestic Service in Chinese 1319 GMT 15 Sep 84

[By correspondent Li Qiuchang and Reporter Liu Guanghui]

[Text] Changsha, 15 Sep (XINHUA) -- The Changsha Management Technique Training and Research Center formally opened in Changsha this morning. The center is jointly run by the Hunan Center for Scientific and Technological Exchanges With Foreign Countries and the U.S. International Management Technique Consultative Council [mei guo guo ji guan li ji shu zi xun hui 5019 0948 0948 7139 4619 3810 2111 2611 0745 6104 2585].

The Changsha Management Technique Training and Research Center specifically trains middle-age young and management cadres and scientific and technical personnel who have college or higher levels of education. Currently it has a special management class, an advanced management class and two English conversation classes, with a training period of either 1 year or 3 months. The classes are designed to enable students to learn modern management techniques systematically and enhance their English comprehension and speaking ability.

The U.S. International Management Technique Consultative Council has donated to the center modern teaching equipment and teachers' livelihood facilities worth more than \$200,000. It has also hired about a dozen management experts and linguists from outside China to teach at the center.

DENG YINGCHAO, HUANG HUA HONOR U.S. JOURNALISTS

OW210141 Beijing XINHUA in English 1838 GMT 20 Sep 84

[Text] Beijing, September 20 (XINHUA) -- The Smedley-Strong-Snow Society of China was launched here today to salute three American journalists who were pioneers in building bridges of understanding between New China and abroad. In a letter of congratulations, Deng Yingchao, who chairs the National Committee of the Chinese People's Political Consultative Conference, said the three Americans, Agnes Smedley, Anna Louise Strong and Edgar Snow, had made "immeasurable" contributions to the Chinese people and revolution. Deng, a close friend of the three journalists who came to China in the 1920s and 1930s and who have all since died, is honorary president of the new society.

Huang Hua, vice chairman of the NPC Standing Committee, addressed the inaugural meeting as president of the society. The victory of the Chinese revolution, he said, "was inseparable from the hard work and wide publicity done by many foreign journalists who upheld truth, justice and the revolutionary cause of the Chinese people". He recalled how these journalists presented to the whole world "a true picture of the Chinese people's liberation struggle", in defiance of the Kuomintang blockade, and continued to write about China after the victory of the revolution. The three Americans were "the worthy representatives of their generation of journalists". Huang continued: "Smedley, Strong and Snow were not only famous reporters and editors, but also excellent writers, critics, social activists and people's ambassadors for peace and friendship."

Two of the three Americans, Smedley and Strong, finally chose to stay and died in China. Edgar Snow, who played an important role in the normalization of Sino-American relations, had part of his ashes buried on the campus of Beijing University, where he used to teach. He died in Switzerland.

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China has translated into Chinese and published a number of the three journalists' works, including "Daughter of the Earth" and "Great Road" by Smedley; "Red Star Over China" and "The Long Revolution" by Snow; and "Chinese Conquered China" and "Why I Came to China at the age of 72" by Strong. Huang said the new society will conduct a more systematic research on them and have more of their work translated and published in order to "promote their spirit of dedication".

An official for the society told XINHUA that an immediate task is to collect to China and abroad materials of scholarly value relating to what he called "the SSS studies." A five-volume collection of Edgar Snow's works will be published.

The society is composed of more than 100 scholars, journalists, writers, experts and artists who either knew the three in person or have been studying their works.

Among those present at the inaugural meeting in Beijing's Great Hall of The People were Peng Chong, vice-chairman of the Standing Committee of the National People's Congress; Kang Keqing, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference; and Wang Bingnan, president of the Chinese People's Association for Friendship With Foreign Countries and general advisor to the society. Also present were Sol Adler, Rose Smith, Rewi Alley, Israel Epstein, and many other old friends.

#### AUTO WORKER SENTENCED FOR CHINESE-AMERICAN'S MURDER

OW201900 Beijing XINHUA in English 1511 GMT 20 Sep 84

[Text] Washington, September 19 (XINHUA) -- A Detroit local court yesterday sentenced Ronald Ebens to 25 years in prison for the murder of Chinese-American Engineer Vincent Chin.

Two years ago, two white American auto workers, Ebens and his step-son Michael Nitz, both auto workers, mistook Chin to be a Japanese and took it upon themselves to victimize him as a symbol of the country they felt had come to dominate the American automobile market. They followed Chin out of the Detroit bar he had been drinking in and caused fatal head injuries when they clubbed him with baseball bats. The 27-year-old Chin died four days later.

After the murder, the Federal District Court of Detroit in the Wayne County decided that the two white Americans had committed the killing "by mistake" and sentenced them to three years in prison with three years of probation and imposed a 3,000-dollar fine. The verdict, characteristic of evident racial discrimination, triggered nationwide anger from many quarters, including Chinese-American communities and organizations. In the face of the widespread outrage at the lenient sentence, the American federal court was forced to try the case again. On June 28, a federal grand Jury ruled that Ebens committed an offence against civil right out of racial discrimination.

Ebens will begin serving his stiffer sentence on October 18. But his accomplice, Nitz, was acquitted of charges against him in the second trial.

BELJING RECEPTION FOR VISITING SOVIET ARTISTS

OW190357 Beijing in Russian to the USSR 1800 GMT 18 Sep 84

[Text] The Chinese People's Association for Friendship With Foreign Countries and the China-USSR Friendship Association at noon on 18 September held a reception in honor of the group of performing arts masters of the Soviet Union led by A.G. Flazkovskiy.

(Liao Fuqian), general secretary of the China-USSR Friendship Society, and Flazkovskiy, head of the group of performing arts masters of the Soviet Union, spoke at the reception held in a friendly atmosphere.

In the afternoon of 18 September, the group of performing arts masters left Beijing on a performance tour in Hangzhou and Suzhou.

TASS TERMS U.S. SPACE TALKS REGRET 'HYPOCRITICAL'

OW200733 Beijing XINHUA in English 0725 GMT 20 Sep 84

[Text] Moscow, September 19 (XINHUA) -- The Soviet press today described as "apparently hypocritical" the regret expressed by the U.S. State Department over the failure of the two countries to hold the Vienna talks on the demilitarization of space.

In a commentary on a statement issued yesterday by the State Department, the TASS news agency said the U.S. rejection of the Soviet proposal for talks on banning space weapons and its counter-proposal to discuss comprehensive nuclear arms control have indicated that the U.S. is trying to dodge a freeze on space weapons.

TASS said that it has been proved that the present U.S. Government does not have any intention of preventing the space from being militarized. The State Department statement indicates that the U.S. is not prepared to give up its "negative position" on this issue, TASS said.



DPRK'S KIM IL-SONG MEETS JSP CHAIRMAN ISHIBASHI

OW210501 Beijing XINHUA in English 1515 GMT 20 Sep 84

[Text] Pyongyang, September 19 (XINHUA) -- Korean leader Kim Il-song today called on political parties and social communities in Asia to close ranks to launch an anti-nuclear movement with the participation of people from all walks of life, the KOREAN CENTRAL AGENCY (KCNA) reported. Kim Il-song made the call during a meeting here today with Masashi Ishibashi, chairman of the Central Executive Committee of the Japanese Socialist Party, who arrived here yesterday.

They discussed issues including the situation on the Korean peninsula and in Asia, peaceful reunification of Korea, Korea-Japan relations, and the relations between the Workers Party of Korea and the Japanese Socialist Party. They shared identical views over all issues discussed, the KCNA report said. "At present, the danger of a nuclear war is growing in every part of the world, in Asia in particular," said Kim Il-song, who is general secretary of the Korean Workers Party Central Committee. Both Kim Il-song and Ishibashi emphasized that the tripartite military alliance among the United States, Japan and South Korea has posed danger to peace and security on the Korean peninsula, in Asia and the Pacific region.

Referring to Japan, Kim Il-song said Japan can get along well with the Third World if it is only an big economic power. But if Japan becomes a big military power, it will be a threat to the world people and meet their opposition. Ishibashi told Kim Il-song the efforts of the Japanese Socialist Party against the revival of militarism in Japan.

Both of them underlined the justice of the proposed tripartite talks among the Democratic People's Republic of Korea, South Korea and the United States, which, Kim Il-song stressed, is the only way to "relax tensions and to enhance peaceful atmosphere" under present circumstance. He reaffirmed that DPRK has no intention to invade southward. Ishibashi said the Japanese Socialist Party vigorously supports the proposal on the tripartite talks and will make efforts to help realize the proposal.

Turning on the fisheries agreement between the two countries, Kim Il-song said "there is not much difficulty in extending the non-governmental agreement on fisheries, and the issue will be solved satisfactorily."

KOREAN RED CROSS GROUPS AGREE ON TRANSFER POINTS

OW210423 Beijing XINHUA in English 2020 GMT 20 Sep 84

[Text] Pyongyang, September 19 (XINHUA) -- The Democratic People's Republic of Korea (DPRK) agreed today to a South Korean demand that its relief goods for the South Korean flood victims be delivered to Inchon, Pukpyong and Panmunjom.

The talks at the Panmunjom truce village between the delegates from the North and South Red Cross organizations were deadlocked yesterday because South Korea refused to let part of the DPRK relief goods be delivered by trucks to the Seoul area. The South side rejected a proposal by the North side that further contact between the two sides be held on September 21, unless the North side comply with its demand that relief goods be transported to Panmunjom.

In regard of this, the negotiation head of the DPRK Red Cross Society issued a statement today declaring that the North side will drop its original proposal to deliver part of the goods directly to Seoul.

"Out of the desire to help stabilise the life of the South Korean flood-victims, our side will quickly transport the relief goods to Inchon, Pukpyong and Panmunjom as demanded by the South Korea side," the statement said.

#### PRC OLYMPIC COMMITTEE TO ATTEND SEOUL MEETING

OW210908 Beijing XINHUA in English 0859 GMT 21 Sep 84

[Text] Beijing, September 21 (XINHUA) -- A delegation of the Chinese Olympic Committee will attend a General Assembly meeting of the Olympic Council of Asia, which is to open September 28 in Seoul, South Korea, a spokesman for the Chinese Olympic Committee told XINHUA today. The leader of the delegation is Chen Xian. Deputy leader is Zhang Beifa.

The spokesman said the purpose of the meeting is to choose the venue for the 11th Asian Games in 1990, and other issues. He Zhenliang, Chinese member of the International Olympic Committee, will also attend the meeting.

#### PROTESTING WORKERS, STUDENTS DETAINED IN SEOUL

OW200939 Beijing XINHUA in English 0854 GMT 20 Sep 84

[Text] Pyongyang, September 20 (XINHUA) -- South Korean police said today that they have detained more than 120 workers and students after 2,000 demonstrators clashed with riot police in Seoul yesterday, reports reaching here said. Protesting textile workers and university students called for the resignation of "President" Chon Tu-hwan and the abolition of restrictive labor laws. Riot police rushed to the scene and used tear gas to disperse the stone-throwing demonstrators, who demanded free labor unions, better working conditions, and protection of their democratic rights.

#### PRC, JAPAN REACH AGREEMENT ON 1985 OIL SUPPLY

OW202343 Beijing XINHUA in English 1443 GMT 20 Sep 84

[Text] Beijing, September 20 (XINHUA) -- China is to supply Japan with eight million to 8.6 million tons of crude oil in 1985, according to a summary of talks signed here today. The summary was signed by Liu Xiwen, chairman of the Chinese Committee of the China-Japan Commission for Long-Term Trade Agreement, and Gaishi Hiraiwa, representative of Toshio Doko, president of the Japanese committee of the commission.

During the talks prior to the signing ceremony, the two sides reviewed the development of trade and economic relations between China and Japan in 1983. Earlier today, Zheng Tuobin, vice-minister of foreign economic relations and trade, held talks with a delegation from the Japan-China Association on Economy and Trade led by Yoshihiro Inayama, chairman of the Federation of Economic Organizations and advisor to the association. They discussed ways and means to expand bilateral trade and economic and technical cooperation.

#### FURTHER ON JAPANESE TRADE DELEGATION'S PRC TOUR

Meets With Li Peng

OW201343 Beijing XINHUA in English 1323 GMT 20 Sep 84

[Text] Beijing, September 20 (XINHUA) -- Vice-Premier Li Peng met here today a delegation from the Japan-China Association on Economy and Trade led by Yoshihiro Inayama, chairman of the Federation of Economic Organizations and advisor to the Japan-China Association.

The two sides exchanged views on furthering the bilateral trade and economic and technical cooperation. Present at the meeting were Chinese leaders of departments concerned Wang Yaoting, Huang Yicheng, Lin Zongtang, Yang Keng, Ling Hua, Zhao Qingfu and Japanese Ambassador to China Yosuke Nakae.

#### Meets With Zhao Ziyang

OW210806 Beijing XINHUA in English 0751 GMT 21 Sep 84

[Text] Beijing, September 21 (XINHUA) -- Premier Zhao Ziyang emphasized here today the importance of establishing a long-term and stable economic relationship between China and Japan. He made this remark at a meeting with a Japanese group led by Yoshihiro Inayama, chairman of the Federation of Economic Organizations and advisor to the Japan-China Association on Economy and Trade.

Zhao Ziyang praised the Japanese economic figures for their persistent efforts in promoting trade and economic and technical cooperation with China. He said that the delegation's current visit was of special importance because it came at a time when Sino-Japanese friendship was growing in depth. He described the visit as conducive both to current cooperation between the two countries and to the establishment of a long-term and stable economic and trade relationship.

Eighty-one-year old Yoshihiro Inayama said that a felling of intimacy towards China was prevailing in Japan nowadays. "It is out of question to strengthen our economic cooperation with China under such circumstances," he added. [sentence as received] He said that people in Japanese economic circles were willing to work for the establishment of a long-term and stable economic and trade relationship with China.

Wang Yaoting, chairman of the China Council for the Promotion of International Trade, and Yosuke Nakae, Japanese ambassador to China, were present at the meeting.

#### WANG ZHEN MEETS VISITING JAPANESE TRADE DELEGATION

OW202241 Beijing XINHUA in English 1902 GMT 20 Sep 84

[Text] Beijing, September 20 (XINHUA) -- Wang Zhen, honorary president of the China-Japan Friendship Association, met and gave a dinner here this evening for Shigeichi Koga, vice-chairman of the Japan Association for the Promotion of International Trade and chief adviser with Mitsubishi Heavy Industries Ltd. of Japan, and his party. Present was Wang Yaoting, chairman of the China Council for the Promotion of International Trade.

#### JAPAN TURNS OVER HEBEI CEMENT PLANT EQUIPMENT

OW210033 Beijing XINHUA in English 1438 GMT 20 Sep 84

[Text] Shijiazhuang, September 20 (XINHUA) -- A ceremony marking the handing over of the imported Japanese equipment to the Chinese side was held today at China's largest cement plant in eastern Hebei province.

The Jidong plant in Tangshan will produce 1.55 million tons of high-grade cement a year. Construction began in May, 1981. Trial operation started nine months ago has proved that the computer controlled equipment are in good order. Two more large cement plants, each with an annual capacity of more than one million tons, are under construction in Ningguo, Anhui province, and Xuzhou in Jiangsu province. China produced 108.25 million tons of cement in 1983, ranking it second in the world after the Soviet Union.



NGUYEN CO THACH PROPOSAL 'SAME OLD THING'

OW202026 Beijing XINHUA in English 2009 GMT 20 Sep 84

["Commentary on Nguyen Co Thach's 'New Proposal' by Li Yongming" -- XINHUA headline]

[Text] Beijing, September 20 (XINHUA) -- The "new proposal" put forth recently by Vietnamese Foreign Minister Nguyen Co Thach on the Kampuchea issue is nothing but the same old thing in a new guise.

The proposal seemingly has something new. For instance, Nguyen Co Thach admitted the existence of the Kampuchea problem, which the Vietnamese Government had long refused to discuss. He even called for "mediation" and the setting up of an "international supervision neutral commission," trying to create the impression that the Vietnamese attitude has changed. However, looking deeper into the "new proposal," people will find out that the proposal is the same as the old ones put forward by Vietnam but merely with a fresh appearance.

First, Thach's proposal does in no way provide that the Vietnamese troops shall withdraw from Kampuchea, which is a crucial demand that has been clearly defined by UN resolutions. If Hanoi were really sincere to solve the Kampuchea issue it should unconditionally withdraw all its troops from Kampuchea in accordance with the resolutions. If, however, Hanoi refuses to observe the resolutions, its clamors about the "international supervision" and "mediation by a third party" can only be interpreted as a fraud.

Secondly, Thach's proposal that the ASEAN countries hold "unconditional talks" with the "three Indochinese countries" bears no difference with Hanoi's old tricks of "regional dialogue" or "group dialogue," since if the ASEAN countries accept any one of the above proposals, they will find themselves be lured into sitting as equals at the same table with the Vietnam-propped Heng Samrin regime, thus creating a fait accompli that they have recognized the Phnom Penh puppet regime.

Thirdly, Thach in his proposal continued to attack China, asking her to change her just stand on the Kampuchea issue as the pre-condition for Vietnam's troops withdrawal; otherwise, the Vietnamese troops will hang on for another "five or ten years" in Kampuchea. This clearly demonstrates that Vietnam is continuing trying to whitewash its aggression in Kampuchea under the cover of the so-called "China threat".

What is worth noting is the fact that Thach's proposal came on the eve of the opening of the 39th Session of the UN General Assembly. The purposes of the proposal are obviously to use the smokescreen of "peace talks" to cover up Vietnam's military occupation of Kampuchea, extricate Vietnam from the predicament of extreme isolation on the international arena, avoid condemnation of its aggression by the justice-upholding countries and peoples, and create confusion at the United Nations.

CGDK'S SON SANN SAYS SRV PROPOSALS UNACCEPTABLE

OW201223 Beijing XINHUA in English 1205 GMT 20 Sep 84

[Text] Bangkok, September 20 (XINHUA) -- Premier of the Democratic Kampuchean Coalition Government Son Sann said Vietnam's proposals to enter into "unconditional negotiations" were aimed at arranging the permanent occupation of Kampuchea, and "such proposals are unacceptable."

He said Vietnamese Foreign Minister Nguyen Co Thach's recent proposals avoided the key issue -- that Vietnam should withdraw all its troops from Kampuchea in accordance with U.N. resolutions.



The Kampuchean Coalition Government has always supported these resolutions, Son Sann said.

RENMIN RIBAO ON VIETNAM'S EXPORT OF REFUGEES

HK201040 Beijing RENMIN RIBAO in Chinese 19 Sep 84, p 6

["International Jottings" by Zhi Guang: "Refugees and Victims"]

[Text] The Vietnamese authorities have exported refugees in large numbers and thus are held in contempt and called an "international trader of human beings" by the people of world. This is a fact already known to all. However, the Hanoi authorities have turned a deaf ear to condemnation from the international community and, as a consequence, Vietnamese refugees are still leaving in large groups. According to data released by the United Nations Office of the High Commissioner for Refugees, in Vietnam 2,100 people now leave their country each month and the number of people who have gone through the formalities domestically for going abroad amounts to 60,000. Recently, the Vietnamese authorities brazenly asserted that the "pace" of refugees leaving Vietnam "can be speeded up" and asked other countries to "open the doors wide" to more Vietnamese refugees and make things more convenient for such refugees. We are justified in saying that they have lost all sense of shame.

Refugees are people who suffer. The reason so many Vietnamese refugees willingly chose to leave their native homes and go to faraway foreign lands lies in the fact that they can no longer endure the suffering that has resulted from the policies pursued by the Hanoi authorities, policies which have brought calamity to the country and the people. After experiencing years of war, the people want very much to rest and build up their strength. However, ignoring the feelings of the people, the Vietnamese authorities have continually used all their armed might to indulge in wars of aggression in vain hopes of becoming an overlord in Indochina and Southeast Asia. These policies have reduced the masses to dire poverty and led them to murmur complaints in the streets. The fact that large groups of refugees have fled their native places to other countries merely illustrates the fact that the Hanoi authorities have completely lost the support of the people. As the old saying goes, "Those who lose the support of the people will lose their rule over the country." If the Le Duan clique continues to insist on treating its people brutally, this will only accelerate its collapse.

PAKISTANI GENERAL CITES NEED FOR STRONG DEFENSE

OW210519 Beijing XINHUA in English 2030 GMT 20 Sep 84

[Text] Islamabad, September 20 (XINHUA) -- Khalid Mahmud Arif, vice chief of Pakistan Army Staff, said in Karachi today that Pakistan has been sincerely striving for peace but it can never afford to lower its guard against possible aggression. Speaking of the peace offensive launched by the Government of Pakistan to ensure continued peace in the region, the general noted that peace is a two-way process and could be jeopardized by actions of one of the parties concerned. The Army forces of Pakistan, therefore, he stressed, has no option but to maintain a high state of preparedness against any possible aggression.

He expressed the confidence that the Pakistan Air Force, with its modern combat aircraft, valiant fighters and dedicated technical personnel, will come off with flying colors if and when it is called to defend the frontiers of the country.

Addressing the student officers of a command and staff college in Quetta yesterday, Arif also said that Pakistan cherishes peace for itself and for others as well. To prevent any any threat to peace, it is necessary to be capable of deterring aggression and be strong enough to defend itself effectively. He noted that the Pakistan Army is fully capable of defending the nation's frontiers and will, like ever, rise on every occasion to the call of the nation. He also emphasized the need of self-reliance in defense production.

FAMILY PLANNING SEMINAR IN NEPAL ATTENDED

OW191241 Beijing XINHUA in English 1138 GMT 19 Sep 84

[Text] Katmandu, September 18 (XINHUA) -- Nepal is determined to reduce its population growth rate from 2.6 percent to 1.2 percent by the year 2,000. This was disclosed by Prime Minister Lokendra Bahadur Chand at a two-day international seminar on population planning and community participation which closed here yesterday.

He said that "efforts are being made to enlist popular participation in controlling the population growth by stepping up the literacy campaign, the community development and family planning program all over the country." The seminar, organized by the Family Planning Association of Nepal, was held amidst a celebration of the 25th founding anniversary of the association which has 17 branch offices throughout the country. Representatives from 13 countries discussed this major world problem at the seminar.

Du Xiangjin, representative of the State Family Planning Commission of China, said that the Chinese Government makes family planning a basic national policy. He pointed out that the population natural growth rate of China went down from 20.89 per thousand in 1973 to 11.54 in 1983.

Bangladesh representative Dr. M. Safiruddin said that community participation in population control can be regarded as a highly effective means, as this will enable the population programs to take advantage of the community resources and help. Professor Walter Rodrigues, representative of Brazil, introduced a Brazilian mass organization of family planning with the support of more than five thousand volunteers, and his government's efforts in promoting the family planning services.

UK CABINET APPROVES DRAFT HONG KONG AGREEMENT

OW201618 Beijing XINHUA in English 1607 GMT 20 Sep 84

[Text] London, September 20 (XINHUA) — The British Cabinet has approved the drafts of the Sino-British agreement on Hong Kong, which paves the way for China's recovery of its sovereignty over Hong Kong in 1997. A statement issued after a Cabinet meeting this morning said that "the Cabinet endorsed the draft of Hong Kong agreement and agreed that it should be initialled in Peking next week."

ITALIAN SENATE PRESIDENT PRAISES PRC'S ATTITUDE

OW210053 Beijing XINHUA in English 1638 GMT 20 Sep 84

[Text] Rome, September 20 (XINHUA) -- President of the Italian Senate Francesco Cossiga today praised China for its respect for other countries and its efforts for world peace. Cossiga, who has just returned from China, told XINHUA that "on the occasion when I returned to my country, the first thought that came to my mind is that I should express my gratitude to the Standing Committee of the Chinese National People's Congress and its president for their invitation for me to visit China."

He said the visit gave him "an opportunity to understand the Chinese people and the leaders of their state and party." Cossiga said he learned that the Chinese people and their leaders are "seriously, firmly, and fearlessly building a political, economic and cultural life of their own" and "are working for peace." "Through the contacts with the state and party leaders of China," he said, "I felt that they not only want to promote a friendly relationship with Italy, but also want to enhance the cooperation between the two countries in the fields of economy, science, technology and culture."

FRENCH AEROSPACE SCIENTISTS MEET WITH PRC LEADERS

Wang Bingnan

OW191808 Beijing XINHUA in English 1644 GMT 19 Sep 84

[Text] Beijing, September 19 (XINHUA) -- Wang Bingnan, president of the Chinese People's Association for Friendship With Foreign Countries, met and gave a banquet in honor of Charles Marchetti, ex-director of National Society of Aerospace, member of the French National Academy of Air and Space and vice-president of the Aero-Club of France, and other visiting prominent figures from French industrial circles. The delegation arrived here yesterday.

Zhang Jingfu

OW201345 Beijing XINHUA in English 1251 GMT 20 Sep 84

[Text] Beijing, September 20 (XINHUA) -- State Councillor Zhang Jingfu this afternoon met Charles Marchetti, ex-director of the National Society of Aerospace of France and an academician of the French Academy of Air and Space, and other noted personages of the French industrial circles in the Great Hall of the People.

At the meeting, Zhang Jingfu and Marchetti, a helicopter designer who had visited China three times, explored the possibilities of Sino-French cooperation in industry and technology. Other French industrialists and specialists from the mining, power generation, and electronics industries also took part in the conversation. Zhang said that China was willing to send groups of people to France for study tours.



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PRC, EEC NEGOTIATIONS END IN BRUSSELS 20 SEP

OW202006 Beijing XINHUA in English 1956 GMT 20 Sep 84

[Text] Brussels, September 20 (XINHUA) -- Negotiations between the People's Republic of China and the European Economic Community (EEC) on the signing of a trade and economic cooperation agreement ended here yesterday. The negotiations opened officially on September 13, and prior to that both sides had held several informal consultations since May.

The China-EEC agreement, which will replace the current one signed in 1978, is scheduled to be initialled later in Beijing. During the negotiations, both sides agreed to promote greater economic cooperation.

LI PENG, FRG TEAM DISCUSS ECONOMIC COOPERATION

OW141244 Beijing XINHUA in English 1223 GMT 14 Sep 84

[Text] Beijing, September 14 (XINHUA) -- Vice-Premier Li Peng met here this afternoon a delegation from the Federal Republic of Germany led by S. Lengl, secretary of state of the Ministry of Economic Cooperation. Li Peng thanked Federal Republic of Germany for its help to China in their bilateral economic cooperation. He said that as China was a big market and F.R.G. had advanced technologies, there were broad prospects for cooperation between the two countries.

Lengl said cooperation between the two countries was at an initial stage on the right road. He expressed the hope that both sides would gradually expand their cooperation.

The delegation came here to attend the second meeting of the Sino-F.R.G. Mixed Commission for Development and Cooperation, which closed here this afternoon. According to a summary of the meeting signed here this afternoon, F.R.G. would aid China in the construction of ten projects covering agriculture, energy and others to the value of 25 million Deutsche marks.

PRC ART, CULTURAL EXHIBITION CLOSES IN FRG

LD161818 Beijing XINHUA in English 1623 GMT 16 Sep 84

[Text] Bonn, September 16 (XINHUA) -- The ten-day Chinese exhibition which closed in Saarbruecken of Federal Germany today has made China the talk of the town. During the period of the exhibition, its sponsors -- the Sino-German Friendship Association's Saarbruecken branch, the city's commercial club and its reserve bank -- organized a series of activities to introduce Chinese painting, music, tourism, economy, people's political and cultural life, and a Chinese film was shown.

Newspapers and TV carried reports on the exhibition every day and the whole city of Saarbruecken was immersed in the atmosphere of friendship for China, said the director of the association Schneckmann. Chinese Ambassador to Federal Germany An Zhiyuan expressed the hope at the opening ceremony that cultural exchanges between the two countries would continue to develop.

PORTUGUESE PRESIDENT RECEIVES PRC DELEGATION

OW201357 Beijing XINHUA in English 1325 GMT 20 Sep 84

[Text] Lisbon, September 19 (XINHUA) -- Portuguese President A. Ramalho Eanes told a visiting Chinese banking delegation here this evening that the current political relations with China were excellent and that bilateral economic interflow should develop further.



In his talk with Bu Ming, chairman of the Board of Directors of Bank of China and head of the delegation, Eanes expressed the hope that banks of the two countries could help promote the economic cooperation between the two countries. Chinese Ambassador to Portugal Ju Jixin hosted a dinner for the delegation this evening.

The delegation arrived here last Friday at the invitation of Chairman Jorge Jardim Gonçalves of the Portuguese Bank of the Atlantic after his visit to Spain. The delegation had visited major Portuguese banks and some factories. Bu Ming earlier had conferred with Minister of Finance Ernani Lopes and Minister of Commerce and Tourism Alvaro Barreto. The delegation will leave here for home tomorrow.

#### XI ZHONGXUN MEETS SWEDISH PARLIAMENTARIAN

OW202108 Beijing XINHUA in English 1522 GMT 20 Sep 84

[Text] Beijing, September 20 (XINHUA) -- Xi Zhongxun, member of the Political Bureau and member of the Secretariat of the Central Committee of the Chinese Communist Party, met and gave a dinner in honor of Carl Henrik Hermansson, former chairman of the Swedish Left Party (the communist) and parliament member, and Mrs. Hermansson this evening at Beijing's Great Hall of the People. Present on both occasions was head of the Liaison Department of the C.P.C. Central Committee Qian Liren.

The Hermanssons arrived in Beijing on September 18 as guests of the Liaison Department.

#### KANG KEQING MEETS BRITISH WRITER HAN SUYIN

OW210015 Beijing XINHUA in English 1457 GMT 20 Sep 84

[Text] Beijing, September 20 (XINHUA) -- Kang Keqing, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference, met here this afternoon with the British writer Han Suyin. Han Suyin arrived here yesterday evening to attend the celebrations of the 35th anniversary of the founding of the People's Republic of China.

Han Suyin told Kang Keqing, who is also chairman of the Soong Ching Ling Foundation, that she did not expect China to reform so fast. "Airline stewardesses give better service than before. The bathrooms in the Beijing Hotel are also very clean, streets are in good order, and people are well-dressed," she added.

Hearing of a sales exhibition of new fashions from nine provinces and cites now on in Beijing, Han Suyin jotted down the address and said with a smile "I am preparing an article entitled 'Beijing -- International City' so must visit this exhibition and collect material."

Present at the meeting were Rong Gaotang and Wu Quanheng, vice-chairmen of Soong Ching Ling Foundation. Kang later took Han Suyin to dinner.

#### NEW PRC AMBASSADORS PRESENT CREDENTIALS

##### Denmark

OW191948 Beijing XINHUA in English 1942 GMT 19 Sep 84

[Text] Stockholm, September 19 (XINHUA) -- Chen Luzhi, China's new ambassador extraordinary and plenipotentiary to the Kingdom of Denmark, presented credentials to Queen of Denmark Margrethe II in Copenhagen today, according to reports from the Danish capital.

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The queen and Prince Henrik also had a friendly talk with Ambassador Chen and his wife.

Ireland

OW202014 Beijing XINHUA in English 2004 GMT 20 Sep 84

[Text] London, September 20 (XINHUA) -- New Chinese Ambassador to Ireland Xing Zhongxiu presented his credentials to Irish President Patrick J. Hillery this morning, according to a report from Dublin. President Hillery had a cordial conversation with the new Chinese ambassador.

The Chinese ambassador arrived in Dublin on September 18.

FRENCH VOLLEYBALL TEAM FETED AT BEIJING BANQUET

OW151921 Beijing XINHUA in English 1658 GMT 15 Sep 84

[Text] Beijing, September 15 (XINHUA) -- The Chinese Volleyball Association gave a banquet for the visiting French national volleyball team here this evening. Among those present at the banquet were Xu Yingeng, vice-minister of the Chinese Physical Culture and Sports Commission and Emmanuel Rousseau, second secretary of the French Embassy in Beijing.

The French team, led by A. Leclercq, arrived here yesterday. They will travel to Sichuan Province, Shanghai, and Nanjing, where they will play with Chinese colleagues, then back to Beijing again to play the Beijing team and the Chinese Army "August First" team.

PLA SHOOTING TEAM AT SWISS CHAMPIONSHIPS

OW151623 Beijing XINHUA in English 1450 GMT 15 Sep 84

[Text] Beijing, September 15 (XINHUA) -- A 13-member shooting team of the Chinese People's Liberation Army left here today for Switzerland to participate in the 25th shooting championships of the International Military Sports Council. Han Fudong, chairman of the P.I.A. Sports Commission and vice-president of the International Military Sports Council, left aboard the same plane to help the Swiss Federal Military Department to organize the championships as the official deputy of the council.

The Chinese Army team, led by Chen Taishun, will take part in the men's and women's pistol events.

CHEN MUHUA CALLS FOR COOPERATION WITH GDR

OW202357 Beijing XINHUA in English 2042 GMT 20 Sep 84

[Text] Berlin, September 20 (XINHUA) -- Chinese State Councillor Chen Muhua today called for more cooperation between China and Democratic Germany, saying it is in the basic interests of the two peoples. Speaking to Democratic German reporters at a press conference here before she wound up a visit to the country, Chen, who is also minister of foreign economic relations and trade, pointed out that to further the two countries' cooperation in economy, trade and science and technology is beneficial to their socialist construction.

Chen also described her visit here as "successful" and expressed thanks to the government and people of Democratic Germany for their hospitality.

Chen and her party left here for home via Romania today.

During their visit, which started on September 16, the Chinese minister and her party toured factories, agricultural co-ops and cultural institutions.

TECHNICAL, SCIENTIFIC PROTOCOL SIGNED WITH POLAND

OW210131 Beijing XINHUA in English 1847 GMT 20 Sep 84

[Text] Beijing, September 20 (XINHUA) -- A protocol on the 17th session of the China-Poland Committee for Scientific and Technical Cooperation was signed this afternoon in Beijing. According to the protocol, the session has decided some new projects for bilateral cooperation and joint research in the fields of coal industry, machine building, railway, electronics, building industry, medicine, light industry, public health, transportation, shipping building, agriculture and food processing. The two sides also passed decision on further developing scientific and technical cooperation between the two countries.

Liu Hui, chairman of the Chinese group at the session and vice-minister of coal industry, and A. Zor, chairman of the Polish Group and technical director of the Council of Ministers, signed the protocol. Chinese State Councillor Fang Yi attended the signing ceremony.

As this year happened to be the 30th anniversary of the signing of China-Poland technical and technical-scientific cooperation agreement, the two sides at the session expressed satisfaction over the last 30 years' cooperation and held that the agreement had promoted the socialist construction in the two countries and the friendship between the two peoples and scientists as well.



LI XIANNIAN MEETS ARGENTINE GOVERNMENT VISITORS

OW201107 Beijing XINHUA in English 1046 GMT 20 Sep 84

[Text] Beijing, September 20 (XINHUA) -- Chinese President Li Xiannian said in a meeting with an Argentine Government delegation here this afternoon that China would maintain its friendship with Argentina and the other Latin American countries. He said: "So long as we follow the Five Principles of Peaceful Coexistence, we can develop our relations with all countries continuously."

The visiting Delegation is led by Dr. Raul Prebisch, advisor to the Argentine president for economic affairs.

President Li said that the Chinese Government and people warmly welcome the Argentine delegation's visit. "Although our two countries are far apart in location, we share a lot of identical ideas," he said.

Raul Prebisch fully agreed with the Chinese president, adding "it is precisely these common points that have provided us with chances of entering into scientific, technical and cultural cooperation." He said Argentine President Alfonsin had attached great importance to Argentina-China relations. Raul Prebisch also expressed his hope for continued growth of friendly relations and cooperation between the two countries.

During their friendly conversation, both sides expressed satisfaction with the development of the two countries's relations and with the results made in the sessions of the Sino-Argentine Mixed Committees of Economic, Trade, Scientific and Technical Cooperation.

Raul Prebisch presented Li Xiannian a letter of regards from President Alfonsin. President Li asked him to convey his regards to President Alfonsin and said he welcomed the Argentine president to visit China at the latter's convenience.

Chinese Vice-Minister of Foreign Economic Relations and Trade Jia Shi and Argentine Ambassador to China Hector A. Subiza were present at the meeting.

## Talks Summary Signed

OW210824 Beijing XINHUA in English 0757 GMT 21 Sep 84

[Text] Beijing, September 21 (XINHUA) -- The four-day meeting of the Sino-Argentine Mixed Committees on Trade, Economic, Scientific and Technological Cooperation ended here today with the signing of a summary of talks. Chinese Vice-Minister of Foreign Economic Relations and Trade Jia Shi and adviser to the Argentine president Dr Raul Prebisch signed the summary.

The summary says that during the meeting the two sides analysed the present international economic situation, introduced each other's economic and trade situations and policies, reviewed the progress in economic, trade and scientific and technical cooperation between the two countries in the past year since the last mixed committees meeting, and studied prospects and measures for future cooperation.

The two sides were satisfied with the present cooperation in these fields and were willing to promote and diversify their cooperation. The two sides also studied the possibilities for trade in coking coal, bauxite, chemical products, small power equipment, industrial products, technology and complete sets of equipment and discussed the prospects for technical cooperation in agriculture, industry, forestry and animal husbandry.

The Argentine Government delegation led by Raul Prebisch left here for India this afternoon.



GENG BIAO, JI PENGFEI MEET BRAZILIAN PARTY GROUP

OW200815 Beijing XINHUA in English 0759 GMT 20 Sep 84

[Text] Beijing, September 20 (XINHUA) -- Geng Biao, vice-chairman of the Standing Committee of the National People's Congress, had a friendly conversation this morning with a delegation of the Brazilian Democratic Social Party led by its General Secretary Homero Santos in the Great Hall of the People. After the meeting, Geng Biao hosted a reception for the Brazilian friends.

Ji Fetes Santos

OW202311 Beijing XINHUA in English 1623 GMT 20 Sep 84

[Text] Beijing, September 20 (XINHUA) -- Ji Pengfei, Standing Committee member of the Central Advisory Commission of the Communist Party of China and state councillor, gave here today a farewell dinner for a delegation of the Brazilian Democratic Social Party led by its General Secretary Homero Santos. Also present at the meeting were Zhu Liang, Zhang Zhixiang, Ou Tangliang, Xi Hanbing and Brazilian Ambassador to China Italo Zappa. The delegation will leave here tomorrow for tours in Xian, Hangzhou and Shanghai.

PANAMA PRESIDENT-ELECT VIEWS RELATIONS WITH PRC

OW210101 Beijing XINHUA in English 2037 GMT 20 Sep 84

[Text] Panama City, September 20 (XINHUA) -- President-Elect Nicolas Ardito of Panama said this his incoming government will work for closer relations with China. In an interview with XINHUA and a visiting group of China's Central Broadcasting Station, Ardito said: "In recent years, there has been an increase in contacts and exchanges between the Panamanian and Chinese peoples which have played a very useful role in promoting mutual understanding between the two peoples." He said his government will continue to work for still closer friendly relations between the two countries.

Referring to the debt problem troubling Latin America, Ardito said that his is a global issue and that the efforts made by Latin American countries (to solve the issue) should have the backing of the international community.

The president-elect spoke highly of the efforts made by the Contadora Group, and said his country, along with Colombia, Venezuela and Mexico, which, together with Panama, form the Contadora Group, will continue to work to help steer the Central American nations and all the Latin American countries as well towards peace, mutual respect and economic growth through holding dialogue and negotiation.

Referring to Panama's external policy, President Ardito said his government will work for the maintenance of Panama's sovereignty and peace, the reinforcement of solidarity with all peoples, especially the peoples of developing countries, and the beefing-up of cooperation with other Latin American countries.

The president had the interview yesterday with XINHUA and the visiting group of China's Central Broadcasting Station before the group's leaving for Caracas at the end of an eight-day visit.

METHANE TECHNOLOGY COURSE FOR LATIN AMERICANS

OW191900 Beijing XINHUA in English 1502 GMT 19 Sep 84

[Text] Chengdu, September 19 (XINHUA) -- A training course on methane technology for Latin American countries opened today at the research and training center for methane development and extension here in the capital of Sichuan Province.

Attending the 33-day training course were 31 participants from Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, Ecuador, El Salvador, Honduras, Mexico, Nicaragua, Panama, Peru, the Dominican Republic, Uruguay and Venezuela.

Curricula include design and construction of methane generators, the process of methane generation, the disposal of human and animal excreta by fermentation and the resulting improvement of rural sanitation, the use of generator sludge and effluent as fertilizer and the use of methane for farm internal combustion engines and burners.

The participants will also go out to see methane used in factories and in rural China, and will themselves build methane generators in the center grounds.

Meanwhile scholastic exchanges on methane development will take place between Chinese trainers and foreign students.

The course was co-sponsored by the United Nations Development Program (UNDP) and Food and Agriculture Organization (FAO) and the Chinese Government.

China began building biogas pits in the countryside in 1973. According to latest statistics, China has over four million methane-generating pits. More than 20 million rural households use the gas for cooking, lighting and energy for farming and stock-breeding.

Sichuan, the country's first user, has held four training courses for foreign countries. This is the first for Latin America.

#### PERUVIAN LEADERS MEET CHINESE JOURNALISTS

OW141851 Beijing XINHUA in English 1625 GMT 14 Sep 84

[Text] Lima, September 13 (XINHUA) -- Peruvian presidents of the Senate and the Chamber of Deputies respectively met here today the delegation of the All-China Journalists Association headed by Jiang Yuanchun, director of the international department of the PEOPLE'S DAILY.

The president of the Senate Manuel Ulloa Elias said while receiving the Chinese delegation that both Peru and China belong to the Third World and expressed the hope that the economic, trade and cultural relations between the two countries will be further promoted.

Referring to the Latin American countries' foreign debt problem, he said it has become one of the big challenges of the region. In addition to the internal factors of the region, the world economic crisis and the protectionism pursued by big industrialized countries directly affected the exports of Latin American countries.

#### LI DONGYE ATTENDS CHILEAN ENVOY'S RECEPTION

OW180938 Beijing XINHUA in English 0847 GMT 18 Sep 84

[Text] Beijing, September 18 (XINHUA) -- The 174th anniversary of the independence of the Republic of Chile was marked at a reception given by the Chilean Ambassador to China Benjamin Opazo Brull at the embassy here today.

Chinese Minister of Metallurgical Industry Li Dongye and Vice-Foreign Minister Zhu Qizhen attended the reception.

Foreign diplomatic envoys were also present.

MORE ON NPC STANDING COMMITTEE RESULTS

OW201928 Beijing XINHUA Domestic Service in Chinese 1430 GMT 20 Sep 84

[Text] Beijing, 20 Sep (XINHUA) — The Seventh Meeting of the Sixth NPC Standing Committee ended at the Great Hall of the People this afternoon. The meeting adopted the "Forest Law of the People's Republic of China" and the "Law on Medicines and Chemical Reagents Administration of the People's Republic of China" and decided on other matters.

Chairman Peng Zhen of the NPC Standing Committee attended the meeting, which was presided over by Vice Chairman Liao Hansheng of the NPC Standing Committee.

During the meeting, members of the Standing Committee seriously examined and discussed the revised draft forest law and the draft law on pharmaceutical administration and submitted amendments and extended versions to some articles of the draft laws. The NPC Law Committee again revised the two draft laws according to the opinions of Standing Committee members. At today's meeting, Zhang Youyu and Shen Hong, vice chairmen of the NPC Law Committee, gave explanations concerning the amendments to and extended versions of some articles of the two draft laws. In accordance with Standing Committee members' opinions, the law on pharmaceutical administration is renamed the law on medicines and chemical reagents administration.

The meeting also adopted a decision ratifying the "Consular Treaty Between the Governments of the People's Republic of China and the Polish People's Republic" and a decision concerning our country's acceding to the "Convention on the Prohibition of the Development, Production, and Stockpiling of Bacteriological (Biological) and Toxin Weapons and the Destruction of Such Weapons."

On a proposal made by Premier Zhao Ziyang of the State Council, the meeting decided to appoint Song Jian minister in charge of the State Science and Technology Commission and Lu Dong minister in charge of the State Economic Commission. The meeting also approved other appointments and removals.

During the meeting, members of the Standing Committee held a preliminary discussion and examination of the draft accounting law. This draft law will be resubmitted to the NPC Standing Committee for consideration after the NPC Law Committee, in coordination with departments concerned, revises it according to Standing Committee members' opinions and suggestions and those suggestions the law committee will solicit from various localities and quarters.

Geng Biao, Xu Deheng, Peng Chong, Wang Renzhong, Zhu Xuefan, Ngapoi Ngawang Jigme, Seypidin A. Zhou Gucheng, Yan Jici, Hu Yuzhi, Rong Yiren, Ye Fei, and Huang Hua, all vice chairmen of the NPC Standing Committee, attended the meeting.

Present as observers were Tian Jiyun, vice premier of the State Council; Zheng Tianxiang, president of the Supreme People's Court; and Yang Yichen, procurator general of the Supreme People's Procuratorate.

Decree Appoints, Removes Ministers

OW201714 Beijing XINHUA Domestic Service in Chinese 1350 GMT 20 Sep 84

[Text] Beijing, 20 Sep (XINHUA) -- Decree issued by the President of the People's Republic of China

No 19

In pursuance of a decision adopted by the Seventh Meeting of the Sixth NPC Standing Committee of the PRC on 20 September 1984:

1. Song Jian [1345 0256] is appointed minister in charge of the State Science and Technology Commission; and



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Fang Yi's resignation from his office as minister in charge of the State Science and Technology Commission is approved.

2. Lu Dong [0712 2639] is appointed minister in charge of the State Economic Commission; and Zhang Jingfu is removed from his concurrent post as minister in charge of the State Economic Commission.

[Signed] Li Xiannian, president of the People's Republic of China.

[Dated] 20 September 1984

#### Decision on Weapons Convention

OW201459 Beijing XINHUA Domestic Service in Chinese 1341 GMT 20 Sep 84

[Text] Beijing, 20 Sep (XINHUA) -- The NPC Standing Committee's decision on China's acceding to the "Convention of the Prohibition of Development, Production, and Stockpiling of Bacteriological (Biological) and Toxin Weapons and Destruction of Such Weapons"

(Approved on 20 September 1984)

The Seventh Meeting of the Sixth NPC Standing Committee decides: The People's Republic of China accedes to the "Convention on the Prohibition of Development, Production, and Stockpiling of Bacteriological (Biological) and Toxin Weapons and Destruction of Such Weapons" signed in Washington, London, and Moscow on 10 April 1972.

#### Forestry Act Adopted

OW201331 Beijing XINHUA in English 1309 GMT 20 Sep 84

[Text] Beijing, September 20 (XINHUA) -- China will grant certificates to state farms, collectives and individuals who own forests, woods and recently afforested land to affirm their rights of ownership of utilization. The rights and interests of forest owners and users have thus been legally protected, brooking no encroachment by any unit or individual.

The forestry act of the People's Republic of China was adopted here today at the Seventh Meeting of the Sixth National People's Congress Standing Committee. The new law is based on a trial act issued in 1979 and revised to practices during the past five years. It also provides for forest management and protection, afforestation, and regulates the timber industry and sets legal liabilities for damaging forest resources. The protection of forest resources was vital to the protection of China's environment and its ecological balance, the congress said. The congress noted the country's increasing economic need for timber was understandable. However, The deputies stressed, the random felling of trees should be strictly stopped to ensure a correct balance between timber consumption and production.

#### EXPERT ON PRC'S CARRIER ROCKET, SATELLITE ADVANCES

HK201452 Beijing ZHONGGUO XINWEN SHE in Chinese 0924 GMT 20 Sep 84

[Report: "Expert Ren Xinmin Speaks on China's Astronautics Industry"]

[Text] Beijing, 20 Sep (ZHONGGUO XINWEN SHE) -- China is now in a position to launch satellites for other countries, thereby serving the world and benefiting mankind.



This was stated by Ren Xinmin, China's well-known expert on astronautics. He also said: China has bases for researching, designing and producing different types of carrier rockets and satellites, as well as launching facilities and a detection and tracking system. These bases have manufactured different types of carrier rockets for launching large low-orbit satellites, earth synchronous satellites [tichu tongbu weixing 0966 3808 0681 2975 5898 2502], and solar synchronous satellites [taiyang tongbu weixing 1132 7122 0681 2975 5898 2502], and have manufactured other corresponding satellites. These rockets and satellites have been successfully tested in flight. Ren Xinmin made these remarks in a contributing article for this news agency titled "Develop the Astronautics Industry To Serve Economic Construction."

At present Ren Xinmin holds the position of chairman of the Committee for Scientific and Technological Work of China's Ministry of Astronautics Industry and he is a member of the China Space Society. He returned to China 35 years ago after finishing his studies abroad and then engaged in the work of initiating China's astronautics industry.

In the article, the astronautics expert wrote: It is a truly great feat and a miracle that China, in a not too long period of time has built an astronautics industry characterized by a fairly large scale and high level, which is highly capital intensive and knowledge intensive.

Looking back over the past, he said that on 24 April 1970, China launched its first man-made earth satellite ("SKW-1) [as received] successfully on the first try, opening a new chapter in China's space conquest. To date a total of 16 satellites have been launched. This has enabled China to make new breakthroughs in carrier rocket technology, recovery technology, technology involving "one rocket, many satellites," and so forth, thus gradually approaching advanced world levels in space technology.

He revealed that the experimental geosynchronous satellite carrier rocket launched on 8 April this year showed stability and reliability. The precision with which it entered orbit exceeded the designated target. The measurement and control system carried out the acquisition [buhuo 2198 3752], tracking, measurement and control of the satellite according to plan. On 16 April, it started communications and broadcasting experiments at a fixed point with accuracy over the equator 125 degrees east longitude. By 15 May the satellite had reached the end of its trial period and entered the stage of experimental use. At present, all equipment and systems aboard the satellite are functioning normally.

Ren Xinmin said that this points to a new leap in China's space technology. It marks China's having joined the advanced world ranks in carrier rocket technology and satellite technology and also in measurement and control technology.

Ren Xinmin said after more than 20 years of existence and development, a technical team composed of various specialists, engineering and technical personnel, and scientific and technical management personnel, capable of various space tasks regarding research, production and testing, has been formed. This team takes veteran specialists as its backbone, middle-aged specialists as its main force, and young specialists as its reserve force.

While explaining the future prospects for China's space industry, this expert pointed out that the exploitation and use of space resources could have great economic and social effects. This is the main motivation for all countries in developing their space industries and explains why there are bright prospects for the space industry.

He said: Through photographs of our territory taken by our satellites, China has obtained a vast amount of information regarding land surveys, geological surveys, the exploitation of water power, the use of water resources, water and soil conservation, railways, navigation channels, port construction, environmental protection, agriculture and forestry, petroleum, the ocean, earthquake forecasts, and archaeology.

Ren Xinmin said: China's space industry is confronting an arduous and difficult task of catering to economic construction and the world. We are urgently required to research, manufacture, and launch a series of land survey, resources, landmapping, meteorological, communications, and broadcasting satellites. This calls on us to continuously improve and upgrade the quality and reliability of our carrier rockets to guarantee and upgrade the service life of satellites so the satellites are truly durable and reliable. He predicted a new situation will certainly be created in China's space industry in fulfilling the important task of catering to economic construction and the world.

#### STATE COUNCIL ISSUES SCIENCE AWARDS REGULATIONS

OW180439 Beijing XINHUA Domestic Service in Chinese 0216 GMT 16 Sep 84

[Text] Beijing, 16 Sep (XINHUA) -- Regulations of the People's Republic of China on Awards for Promotion of Scientific and Technological Advances (promulgated by the State Council on 12 September 1984)

Article 1. These regulations are formulated to reward the collectives or individuals who make important contributions to the promotion of scientific and technological progress, to bring into full play the initiative and creativeness of the broad masses of scientists and technicians, and thus to accelerate socialist modernization.

Article 2. According to the regulations, awards are given for new scientific and technological accomplishments applicable to socialist modernization, to those who spread or apply available advanced science and technology, and for scientific and technological information.

Article 3. The scientific and technological progress awards are of either the national level or the provincial (ministry and commission) level, classified according to the scientific and technological level, economic results, social effects, and role in promoting scientific and technological progress of the award-winning accomplishments.

Article 4. Any of the following accomplishments is eligible for a national-level scientific and technological award:

1. New scientific and technological achievements (including new products, new technologies, new materials, new designs and new biological breeds) which are applicable to socialist modernization and which are: 1) new to China; 2) advanced in their respective sectors; or 3) proven by practice to have great economic results or social effects.
2. Creative contributions, with great economic results or social effects, to the spreading, transfer, or application of available scientific and technological achievements.
3. Creative contributions, with great economic results or social effects, as a result of adoption of new technology in the course of building key construction projects, developing important equipment, or making technical transformation of an enterprise.
4. Creative contributions, with unusually remarkable results, in connection with scientific and technological management, standardization, metrology, or scientific and technological information.

Article 5. The national-level scientific and technological awards are of the following three classes:

First-class award -- a citation and medal for the national-level scientific and technological progress award, and 15,000 yuan;

Second-class award -- a citation and medal for the national-level scientific and technological progress award, and 10,000 yuan; and

Third-class award -- a citation and medal for the national-level scientific and technological progress award, and 5,000 yuan.

Article 6. With the approval of the State Council, a special-class award, with a greater monetary value than the first-class award, may be given for a scientific and technological advance which makes special contributions to socialist modernization.

Article 7. A national scientific and technological progress award examination committee is established, responsible for the work of appraisal, approval, and conferring of the national-level scientific and technological progress awards. An administrative body of the examination committee, responsible for the committee's day-to-day work, is established in the State Scientific and Technological Commission.

Article 8. The procedures for appraising and approving the national-level scientific and technological progress awards are as follows:

1. A scientific and technological progress project accomplished by a unit alone shall be reported to higher authorities through the chain of command and be preliminarily appraised by the provincial, autonomous regional, or municipal scientific and technological committee, the departments in charge under the State Council, or the departments in charge of respective sectors. It may be submitted to the National Scientific and Technological Award Examination Committee only if it passes the preliminary appraisal.

2. A scientific and technological progress project accomplished jointly by several units shall be reported to higher authorities by the unit in charge of the project. An achievement made by a unit as part of the project may be reported to higher authorities separately by the unit if it meets the requirements set in Article 4, and the procedure for appraising and approving it are the same as the procedures for the project accomplished by a unit alone.

2. National academic organizations may recommend scientific and technological progress accomplishments to the departments in charge under the State Council or to the departments in charge of respective sectors. Preliminary appraisal of the achievements will be reported to the National Scientific and Technological Progress Award Examination Committee.

3. The national-level scientific and technological progress awards for national defense projects shall be appraised and approved by the National Defense Science, Technology and Industry Commission and the PLA General Logistics Department, and then reported to the National Scientific and Technological Progress Award Examination Committee for re-examination and conferment.

Article 9. The winners of the national-level scientific and technological progress awards should be made public before the awards are conferred. Any complaints against the winners must be lodged within 3 months. The preliminary appraisal units should make comments on the complaints and report the complaints together with their comments to the National Scientific and Technological Progress Award Examination Committee for final decision. Awards will be given to the winners if no complaints are lodged against them.



Article 10. The regulations governing the qualifications, classes, amount of money award, appraising organizations, and appraisal and approval procedures for the provincial- (ministry and commission) level scientific and technological progress awards shall be formulated by the provincial, autonomous regional or municipal people's governments or by the departments concerned under the State Council. The monetary award approved by provincial, autonomous regional, or municipal authorities should be financed by local funds. The money awards approved by various State Council departments should be financed by their operating funds or the retained profits under their control.

Article 11. The accomplishments of a scientific and technological progress award winner should be entered on his or her personal record and serve as an important basis for evaluation, promotion, and assignment of job titles.

Article 12. A winner should not receive more than one monetary award. If the award is upgraded by a higher level examination committee, the winner will be issued only the difference in the money award.

The monetary awards in the scientific and technological progress awards are rationally decided according to the winners' contributions. Those who make greater contributions should be given greater awards. It is impermissible to practice equalitarianism.

Article 13. The scientific and technological progress award should be cancelled and the money returned if it is confirmed that the winner's achievement is fraudulent or is plagiarized from others. In addition, the winner should be criticized or punished according to the seriousness of the case.

Article 14. The State Scientific and Technological Commission is responsible for the interpretation of these regulations. It will work in conjunction with the department concerned to formulate detailed rules for implementing these regulations.

Article 15. These regulations come into force upon promulgation.

#### RENMIN RIBAO Supports Rewards

HK200900 Beijing RENMIN RIBAO in Chinese 17 Sep 84

[Editorial: "Handsome Rewards Should Be Given to Those Who Have Made Great Contributions"]

[Text] The "Regulations on Awards for Promotion of Scientific and Technological Advances" have been promulgated. The purpose of formulating and promulgating this set of regulations is to fully arouse the initiative of the vast number of scientific and technical personnel, to advance the progress of science and technology in our country and to create a fine atmosphere in which all people in the community highly value mental work, respect knowledge, and cherish intellectuals.

Previously, the State Council has promulgated three sets of regulations on scientific and technical work awards in succession, namely, the "Regulations on Awards for Inventions," the "Regulations on Awards for Major Achievements in Natural Sciences," and the "Regulations on Awards for Technical Improvements." The latest set of regulations stipulate issuance of awards for outstanding work in popularizing and utilizing new technology and research achievements, in designing and developing large-scale projects and equipment, and in the fields of scientific and technological work management, standardization, metrology and statistics, and scientific information processing, which are not covered by the three previous sets of regulations. The formulation and promulgation of the latest set of regulations fully demonstrate that the party and the state highly value and scientifically appraise various kinds of creative work of scientific and technical personnel.

The mental work of intellectuals is mostly a kind of creative work. Through their hard work, they have created immense material and cultural wealth for society.



For example, the application of a new technology may bring about economic benefits worth millions, tens of millions, or even hundreds of millions of yuan; and the correct design of a project may avoid enormous losses. The awards given to comrades who have made outstanding contributions to scientific and technological progress only account for a small part of the wealth they have created.

The socialist principle for distribution is that "the more one contributes, the more one can earn." It is through many years' twists and turns and after paying a heavy price that we come to realize the importance of this principle. Even now, we still have to overcome ideological obstacles that result from various outmoded ideas and conventions in order to ensure the implementation of this principle. For example, some people still tend to neglect the achievements of people's mental work. Many comrades still fail to understand that complex and creative work results in greater value than simple and repetitious work. For this reason, it seems that few people oppose the idea of allowing some workers and peasants to get rich ahead of others, but many people do not agree that some intellectuals should also be allowed to make themselves well-off ahead of others. Now the party and the state have adopted a series of measures to ensure that handsome awards will be given to intellectuals who have made outstanding contributions. This is precisely a concrete step to set things to rights and to ensure the better implementation of the principle of distribution according to work.

While giving high awards to people who have made major achievements in technological and scientific work, we should particularly guard against the erroneous tendency of egalitarianism. In the past, we after found that it was hard to give an award for an invention or that the award could really be shared equally by hundreds of people. There were two main problems: First, some people could not distinguish between creative work and noncreative work. They thought that assistants, such as those who are responsible for drafting, processing, buying equipment, and even those who are cooks and doorkeepers, should all be entitled to share the award with the inventor. This in fact denied the special contributions of the inventor's mental work. Second, all scientific and technical personnel in the project group, the research office, the research institute, or even a number of units in cooperation were entitled to share the award with the main inventor. This was obviously a demonstration of the old habit of "eating from the same big pot."

The new "Regulations on Awards for Promotion of Scientific and Technological Advances" clearly stipulate that "awards should be given to successful scientific and technical personnel in a reasonable way according to their contributions, with higher awards being given to those who have made greater contributions." The purpose is to overcome egalitarianism and ensure that high awards are really used to reward the intellectuals who have made major contributions through their creative work. At the same time, this can achieve the result of rewarding hard-working people and punishing lazy people among intellectuals so as to bring about an animated situation in which all people are striving to make greater contributions.

#### CHEN MUHUA ON FOREIGN ECONOMIC RELATIONS, TRADE

HK200955 Beijing RENMIN RIBAO in Chinese 15 Sep 84 p 7

[Article by Chen Muhua, state councillor and minister of foreign economic relations and trade: "China's Foreign Economic Relations and Trade Are Flourishing"]

[Text] The foreign economic relations and trade undertaking is an organic part of our national economy and an important aspect of our work related to external affairs. During the 35 years since the founding of the PRC and particularly since the 3d Plenary Session of the 11th CPC Central Committee, our external relations and trade have played an increasing positive role in these two fields.

Briefly, the work of external relations and trade consists of the following six aspects: foreign trade, utilizing foreign capital, importing technology from abroad, providing aid to countries, undertaking contracts to supply labor, and multilateral cooperation. During the more than 30 years before the 3d Plenary Session of the 11th CPC Central Committee, our country mainly carried out two aspects of the work, namely, foreign trade and providing aid to foreign countries. Since the 3d Plenary Session of the 11th CPC Central Committee, our country has switched its work focus to national economic construction and the CPC Central Committee has formulated the policies of enlivening the economy at home and opening up to the external world. As a result, our undertaking of external economic relations and trade has flourished. Concerning the scope of the undertaking, we have gradually developed the work's new aspects, comprising utilizing foreign capital, importing technology, undertaking contracts for supplying labor, and multilateral cooperation. Now our country has established economic and trade relations with over 170 countries and areas. This number is greater than number of countries that have established diplomatic relations with our country (129 countries). The development of external economic and trade relations has promoted the development of our country's relations with other countries. Conversely, the development of relations with other countries has further promoted the development of external economic and trade relations.

During the 35 years since the founding of the PRC, we have scored marked achievements in developing external economic and trade relations. In particular, since the 3d Plenary Session of the 11th CPC Central Committee, we have scored unprecedented achievements in this aspect of work.

The volume of our import and export trade has risen sharply. By 1983, it totalled \$40.7 billion, an increase of 3500 percent over the year 1950 and of 100 percent over the year 1978. The percentage formed by our exports in the total volume of world exports rose from 0.75 percent in 1978 to 1.23 percent and from ranking 32d to ranking 16th. At the same time, as our country's economy develops, there has also been a change in the commodity mix of our exports. In 1950, agricultural and sideline products and products processed from agricultural and sideline products constituted 90.7 percent of our exports, while industrial and mining products constituted only 9.3 percent. In 1983, the former dropped to 42.6 percent, while the latter rose to 57.4 percent. Since 1981, our country has had a foreign trade surplus for 3 years in succession, and this has greatly improved the foreign payments situation.

During the 5 years from the third plenary session to the end of 1983, our country actually employed a total of \$14.6 billion of foreign funds in various forms, roughly equal to 15 percent of the total investment in capital construction at home during the Sixth 5-Year Plan period. We have utilized these foreign funds to introduce 597 projects; to support the construction of the key projects in our energy and communications industries, agriculture, raw materials industry, and science and education undertakings; to import some advanced technology; to carry out offshore petroleum prospecting and exploitation; and to speed up the construction of the special economic zones.

The undertaking of contracts for foreign construction projects and cooperation with foreign countries in supplying them with labor is a brand new type of work that has been developed since the implementation of the policy of opening up to the outside world. Our principle is to "abide by the contracts, guarantee the quality, earn a small profit margin, and attach importance to ties of friendship." From 1979 to the first 6 months of this year, we had already established 48 companies to develop these undertakings in 58 countries and areas. We have signed over 1,600 contracts, the total amount involved is \$2.8 billion, and the total turnover we have achieved amounts to \$1.24 billion.

Through years of effort, we have accumulated some experience. We have developed from the simple supplying of labor to tendering for contracts jointly with other countries or our own. We have undertaken some large- and medium-sized projects, some of which involve over \$100 million.

In addition, we have also set up some joint venture enterprises abroad, including restaurants, joint venture commercial firms, and production enterprises. However, the scale of these enterprises is not yet large and they should be further developed.

Providing Third World countries with necessary aid is an unshirkable international duty for our country. During the past 30-odd years, we have constructed over 1,000 projects in over 80 countries. Most of these projects were medium-sized or small. They have played a positive role in promoting the development of the national economy and consolidating the national independence of the countries concerned. Therefore, they have been well received. Since the 3d Plenary Session of the 11th CPC Central Committee, we have summed up our experiences in the work of providing aid to other countries, overcome the shortcomings in our work in the past, continued to provide for over 50 countries the aid that we have been capable of providing, completed over 170 complete projects, and sent medical teams to over 40 countries to heal the wounded and rescue the dying. In the future, we should conscientiously implement the four principles of "equality and mutual benefit, stressing actual results, diversification of forms, and common development," which Premier Zhao laid out last year when he visited Africa. We should continue to do a good job of the work of economic and technological cooperation with Third World countries in order to enable both China and Third World countries to develop and thus achieve the goal of common prosperity.

In developing multilateral cooperation with UN organizations, we have adopted the principle of donating funds as well as receiving aid, a principle which we call "giving as well as taking." We have donated funds for holding various kinds of technological lectures to train personnel for Third World countries and have also provided them with some equipment, materials, and goods and developed some projects for them. At the same time, we have also utilized the funds provided by the United Nations for some projects development.

In the process of our socialist modernization, the CPC Central Committee has proposed the foreign economic relations and trade undertake the task of quadrupling our volume of imports and exports -- raising it to \$160 billion -- by the end of this century. It is possible but arduous to achieve this goal. This demands that all the economic and trade circles in our country organically combine the above-mentioned six aspects of their work, actually implement export measures, and strive to fulfill this glorious task.

The "Government Work Report" approved by the Second Session of the Sixth NPC has clearly defined the orientation and basic principles of our foreign trade system reform and we have already drawn up concrete plans for the reform. The major content of the reform is to separate government administration from enterprise management, to import and export through agents, and to make the enterprises that produce export products and those who use imported goods shoulder sole responsibility for their profits and losses. This reform will facilitate breaking the system of "eating out of the same big pot" and raising our economic results in an all-round manner; be conducive to selecting better enterprises to carry out export trade and to giving play to the strong points of localities and enterprises; facilitate promoting technological progress in our production enterprises, overcoming the work style of the "business run by officials," and improving administration and management in order to sharpen the competitive edge of our commodities; and be conducive to combining industry, agriculture, and the introduction of technology with commerce.



Now we are proposing the concrete policies for the realization of quadrupling in the process of drawing up the Seventh 5-Year Plan and a long-term plan. In the field of exports, we will mainly start from gaining an advantage through improving the quality of our products. Through the joint efforts of the production enterprises and foreign trade firms, we will speed up the upgrading of our products and the substitution of new products for old ones, and thus gradually meet the demands of the international market. At the same time, we should gradually change the mix of our export commodities while arranging the production in our national economy. Our various localities should bring into play their strong points and be clear on the major direction in which to concentrate their efforts. To make this possible, we should strengthen our work related to intelligence so as to promptly reflect the situation in world markets and improve our work of sales, marketing, and service. In the sphere of imports, we should closely coordinate with modernization to provide what it needs, give priority to the arrangement of the import of advanced technology and key equipment, and conscientiously and satisfactorily organize the import of the raw materials and spare parts needed in our industrial and agricultural production.

In order to ensure the smooth fulfillment of export tasks, the various sectors of our national economy should closely coordinate with one another. For example, the transport sector should catch up in forming full sets of transport facilities and promptly solve the problems related to the shortage of port and shipping facilities.

Developing external relations and trade is a common task for the whole party and the whole country and is an organic part of the work to realize socialist modernization. We firmly believe that through the joint efforts of the people throughout our country, both at upper and lower levels, our country's undertaking of external relations and trade will surely enter into a new period of flourishing development.

#### TIAN JIYUN SPEAKS AT TIANJIN ECONOMIC MEETING

OW192331 Beijing XINHUA Domestic Service in Chinese 1509 GMT 18 Sep 84

["Excerpts" of Speech by Vice Premier of the State Council Tian Jiyun at the national meeting on economic and technical cooperation and mutual support between counterpart organizations on 17 September]

[Text] Tianjin, 18 Sep (XINHUA) -- In the past few years, much work has been done by various localities and departments on economic and technical cooperation and mutual support between counterpart organizations. Their work has been quite active, and has produced considerable results. Practice over the years has testified to the fact that this is a good way to make the best use of favorable conditions, avoid drawbacks, bring into full play each other's strong points, and receive mutual benefits, while promoting economic and technical development. Ours is a large country with uneven development in various areas. This salient feature has underlined the great importance of the work of economic and technical cooperation, and mutual support between counterpart organizations, and brought about a good prospect for its further development. Our country has vast territory, while our transportation and communications facilities are still very backward. This being the case, if every economic activity were arranged by the competent department, through administrative measures, the result would be that many things could not be accomplished at all, or could not be done successfully; that is, even though they could be done, much effort would have to be spent, but the result would not be satisfactory. In contrast, economic and technical cooperation and mutual support between counterpart organizations have enabled us to accomplish what we had hoped to accomplish, but could not do at all, or failed to do successfully.



This is precisely because, through economic and technical cooperation, and mutual support between counterpart organizations, the initiative of various localities, departments, and enterprises has been brought into play, and multifarious association and cooperation has been organized in various fields and at various levels, according to the requirements of the objective law of economic development. For historical reasons, there is a big difference in economic development between different areas. Through the promotion of economic and technical cooperation and mutual support between counterpart organizations, advanced areas may help and spur on backward areas, and enable the latter's economy to advance at a faster pace. At the same time, by "making expansion externally and forming association internally," advanced areas can open up new fields of work, and also achieve better results in solving their problems of shortage of resources and raw materials. In other words, this is greatly advantageous, and indispensable to advanced areas as well. For this reason, economic and technical cooperation and mutual support between counterpart organizations can bring about "simultaneous progress" of both advanced and backward areas, and promote the development of the national economy as a whole. Here I would like to mention that new technology develops very fast in the world like to mention that new technology develops very fast in the world today, and new products and technological processes appear consecutively, both at home and abroad. The task of speeding up dissemination of information is not to be neglected, so we can adopt new technology to transform our old enterprises and raise our country's overall technological level. In the past few years, the work of economic and technical cooperation and mutual support between counterpart organizations has played a very significant role in this regard. It has been only 3 or 4 years since the State Council issued the "Provisional Regulations on Promoting Economic Association," which set out the principle of making the best use of favorable conditions, avoiding drawbacks, bringing strong points into full play, protecting competition, and promoting association. While numerous reasons exist for such fast development of this work, the chief one, I feel, is that it represents a way and a measure meeting the needs of economic and technological development in our country and, therefore, is realistic and has vitality.

How can this work be developed on a still wider scale?

1. We should make further efforts to promote the work of economic and technical cooperation and mutual support between counterpart organizations. This work has a correct orientation, but, so far, we have only made a good start. Of late, the State Council has discussed the question of reforming the planning system. The general guidelines that have been drawn up are to change the state of affairs of over-centralization and too tight control, to appropriately reduce the role of mandatory plans, while expanding that of guidance plans, to gradually give a free hand to the processing of minor commodities, and the third category of farm and sideline products, as well as to repair and service trades, and to use the market as a means of regulation. To go all out to promote economic and technical cooperation and mutual support between counterpart organizations is in complete accord with these general guidelines. In this regard, there is a lot we can do in the days to come, and there is still great potential for further development. We should take advantage of the current favorable situation, and act boldly to develop this work in greater breadth and depth.

2. More flexible and varied methods should be adopted, according to different conditions. In the past, it was always believed that the closer the association, the better. Now, as can be seen from our practical experience, in a big country such as ours, it will be hard to advance quickly in a task if someone monopolizes it. Comparatively loose association and cooperation, on the other hand, can better embody the economic relationship of mutual assistance and benefit and, therefore, is more conducive to stimulating the initiative of the parties concerned.

In view of this, we should proceed from reality in making every arrangement for association or cooperation, and make it close or loose, as appropriate. We should develop all kinds of association, including regional, inter-area, association between a department and a locality, and bilateral and multilateral association. Cooperation may be carried out in the same trade, or between different trades and different departments. We should not only organize different forms of integrated economic establishments with cities as centers, but also give play to the cities' strong points regarding science and technology, to help the development of the rural areas in suburban countries through economic and technical cooperation. We should allow not only the "government," but also the "people" to do this. In my opinion, some methods in current use to establish association with foreign countries, such as joint ventures, cooperative production, and compensatory trade, may also be put into practice at home, on a trial basis. Any form of cooperation may be organized or explored if it is needed by the parties concerned, and is conducive to the improvement of our economic structure, and the development of productive forces. To sum up, we should give greater freedom to this work, and make it more flexible. Of course, great attention should be paid to economic results in organizing economic and technical cooperation, and in making arrangements for mutual support between counterpart organizations. Regarding major projects, there should be sufficient grounds to justify their implementation, and approval should be given in accordance with the procedures stipulated in the related regulations. In addition, attention should be paid to the development of such basic projects as energy supply and transportation facilities. These projects require relatively large sums of investment and take rather long periods to complete. A single unit cannot afford to undertake and is actually unable to complete, such projects. But if an association is formed, the strength will be greater. Once such projects are undertaken, many will benefit. Because of this, it is especially necessary to give play to the role of association and cooperation in building such projects.

3. Leadership at all levels should give active support. Development of economic and technical cooperation, and mutual support between counterpart organizations -- a kind of economic activity between different units -- will help develop production and raise economic benefits. It is imperative to resolutely guard against and oppose any acts to isolate one region from another, and to erect artificial barriers. Leaders at all levels should give a green light to the promotion of association and cooperation, earnestly strengthen their leadership over this work, and go all out to support it, so that economic and technical cooperation and mutual support between counterpart organization will develop more vigorously and achieve even greater success.

#### PARTY, STATE LEADERS MEET RETURNED SINGERS

OW111301 Beijing XINHUA in English 1149 GMT 20 Sep 84

[Text] Beijing, September 20 (XINHUA) -- Chinese party and state leaders met here yesterday evening with eight young solo singers who won prizes at the international vocal contests in Vienna and Helsinki this year, and their teachers, according to today's PEOPLE'S DAILY.

The party and state leaders were Wan Li, Xi Zhongxun, Yang Shangkun, Song Renqiong, Hu Qiaomu, Deng Liqun, Hu Qili and Hao Jianxiu.

The prize-winners were Zhang Jianyi, Zhan Manhua, Hu Xiaoping, Gao Manhua, Liang Ning, Dilber, Fu Haijing and Li Hongshen.

Vice-Premier Wan Li expressed congratulations to the prize-winners on behalf of the party Central Committee and the State Council. After the meeting, the soloists gave a performance before an audience of 1,000.

WAN LI, HU QILI ATTEND BEIJING OVERPASS OPENING

OW202305 Beijing XINHUA in English 1531 GMT 20 Sep 84

[Text] Beijing, September 20 (XINHUA) — China's largest overpass complex consisting of three overpasses, five approaches and eight pedestrian underpasses opened to traffic today in Niwangmiao, 2.7 kilometers northeast of central Beijing.

Party and state leaders Wan Li and Hu Qili, and Beijing municipal officials Li Ximing and Chen Xitong attended the opening ceremony along with more than 2,000 local people.

Located at the junction of the third ringroad, the Beijing-Shunyi road and the road leading to the capital's international airport, the 44.8 meter-wide and 660-meter-long overpasses have motorways, bicycles lanes, sidewalks and separation belts, totalling 350,000 square meters.

The project cost 38.9 million yuan. It will triple passenger and freight traffic and increase motor speed from 15 to 40 kilometers per hour. In recent years, ten overpasses have been built along the city's two ringroads, and three others are under way. Down-town traffic congestion remains a problem despite seven new pedestrian footbridges and four pedestrian underpasses.

GU MU INSPECTS SHANDONG TRADE EXHIBITION

SK210359 Jinan Shandong Provincial Service in Mandarin 2300 GMT 20 Sep 84

[Excerpt] The provincial sales exhibition to report on the development and achievements of the second light industry in the past 36 years since the founding of the PRC opened in Jinan on the evening of 19 September. The inaugural meeting to mark the establishment of the provincial second light industrial department and the Shandong provincial people's broadcasting station's market information service company was also held on the same day.

Comrade Gu Mu, secretary of the Secretariat of the CPC Central Committee and state councillor, inspected the sales exhibition. Leading comrades of the provincial CPC Committee, the provincial Advisory Commission, the provincial People's Congress Standing Committee, the provincial government, and Jinan City, including Liang Buting, Lu Maozeng, Li Zhen, Jiang Chunyun, Gao Keting, Qin Hezhen, Ma Shizhong, Lu Hong, and He Zonggui, attended the opening ceremony. Comrades Li Changan and Ma Changgui toured the sales exhibition.

Our province's second light industrial products have a long history and superb techniques. After liberation, our second light industrial enterprises greatly developed through relying on both policies and technology. By the end of the year the number of the province's second light industrial enterprises will reach 2,214 and their output value will be 3.74 million yuan which will account for 9.2 percent of the province's total industrial output value. Some 187 million yuan of taxes will be turned over to the state by second light industrial enterprises at and above county level which will be 4.86 percent of the province's total amount of taxes to be handed over to the state.

RONG YIREN, CHEN XITONG AT AUTO COMPANY OPENING

OW210457 Beijing XINHUA Domestic Service in Chinese 1500 GMT 18 Sep 84

[Excerpt] Beijing, 18 Sep (XINHUA) — The Zhongbei Auto Company jointly run by the China International Trust and Investment Corporation and the Beijing Municipal Taxi Corporation formally started business on 18 September.



Rong Yiren, vice chairman of the NPC Standing Committee, and Chen Xitong, mayor of Beijing Municipality, cut ribbons at the opening ceremony.

NAVY COMMANDER ON NEW TECHNOLOGICAL REVOLUTION

HK140826 Beijing LIAOWANG in Chinese No 33, 13 Aug 84 pp 8-9

[Article by staff reporters Du Zhongwei, Wang Jinzhong, and Zhao Qi: "The Ocean, the Navy, and the New Technological Revolution -- an Interview With Naval Commander Liu Huaqing"]

[Text] The light yellow building in the western suburbs of the capital is very much like an ancient warship. However, the Navy leaders and officers working in this building are not at all conservative. When the new technological revolution became worldwide, Commander Liu Huaqing and other leading comrades and experts of the Navy were studying and exploring the developing trend of the technological revolution in the maritime field and the influence it would exert on building.

One summer morning when interviewed by our reporters, Commander Liu Huaqing said that the new world technological revolution will bring mankind into a new stage of large-scale exploitation of the sea, the military value of the sea will be still further enhanced, and superpower rivalry at sea will become still more intense. Therefore, the position and role of the Navy will be prominent every day. Speeding up the building of a powerful, modern Navy sufficient to guard against any marine incursion and safeguarding the country's maritime interests has become urgent, and a major strategic task in China's national defense construction.

In his youth Liu Huaqing took part in the Long March. Since returning from naval tactical studies abroad, he has long been engaged in naval and national defense construction. There was even a blue sea chart on the wall of his office when we had our cordial talk. He came straight to the point and said: The Navy is an armed service which conducts operations at sea. Therefore, its outcome and development are closely related to mankind's understanding and use of the sea.

Commander Liu Huaqing, who is over 60, is quite familiar with marine affairs. He said: There are abundant biological, mineral, and energy resources in the ocean. The strategic resources in the sea are much richer than on land. The reserves of manganese, copper, cobalt, nickel, and other metals contained in deep water manganese nodules alone total more than 1 trillion tons, which can be called the "natural resources of the 21st century."

He said: Since ancient times the ocean has been an important place for man's production activities and the most economical transport route. As land resources are excessively exhausted today, people have focused their attention on the exploitation of new resources from the sea and have applied electronic, laser, optic fiber, genetic engineering, and other new technologies to the large-scale research, exploitation, and utilization of marine resources. This is the most evident trend of development of the new, world technological revolution. Many people abroad regard this as one of the indications of the new technological revolution. It is said that many countries have gradually increased their investment every year and have achieved marked economic results. For example, the annual output value of U.S. marine products was \$50 billion in 1980, and it is projected to reach \$400 billion by the year 2000. At present, China's annual output value from marine resources can top 6 billion yuan. In recent years, China's marine science and technology have developed rapidly. China has initially established its marine exploitation, laying the foundation for further exploiting and utilizing the sea.



He said: The new technological revolution has enabled us to acquire a new leap in our understanding of the sea and to witness that the new emergency industry of marine exploitation, which has strategic significance, will enormously enhance the nation's economic strength and provide a sound material basis for the building of the People's Navy.

Commander Liu continued: In the wake of the all-round opening up of exploitation of the sea, the maritime interests of the maritime nations will be further expanded. This is a characteristic of the new, world technological revolution as expressed in the maritime field. He said that according to the provisions of the new International Law of the Sea adopted in September 1982, the maritime nations assume sovereignty over and have the right to explore, exploit, conserve, and manage all the biological and nonbiological resources on their respective continental shelves and the 200 nautical mile exclusive economic zones. There are extremely rich resources in the vast sea areas that should rightfully belong to China and be under China's resources sovereignty. According to geologists' estimates, China's offshore deposits may amount to about 8 billion tons, forming one of the world's largest oil deposits; the deepwater basin in the South China Sea has rich concentrations of manganese nodules; and there are over 1,500 varieties of fish in Chinese waters, including over 200 major commercially viable varieties. In the future, in the wake of deep sea exploitation and other biological resources, more and more of the protein needed in the Chinese people's daily life will be obtained from the sea. In addition, China has a potential tidal electric power generation of 110 million kilowatts, and is capable of generating 87 billion kilowatt hours a year; and at the moment only 3/1000 of this is being exploited and used.

At this point, Commander Liu asked us to take special note of the struggles of manipulation and counter-manipulation, plunder and counter-plunder, which have always existed between the maritime nations, centered on the issue of maritime rights. In order to prove that the Navy is an important organization to handle such struggles, he analyzed the process of historical development of the navies of all countries.

From World War I to World War II, the major imperialist countries did their utmost to increase the number of warships, upgrade military equipment, and develop new naval vessels. Their purpose was to protect the security of their sea transport and destroy the military and economic strength of their enemies.

After World War II, particularly in the last 25 years or so, for the sake of seeking world hegemony the superpowers have regarded maritime rivalry as an important component part of their global strategy. They have competed with each other to expand their maritime strength and have wantonly entered into rivalry and expansion, the fierceness of which has far exceeded any previous period in history. Relying on their powerful navies, they have threatened, interfered with, and manipulated other countries, and have widely plundered the marine resources of these countries, which has forced many maritime nations to unite and propose demands for a 200 nautical mile exclusive economic zone. At present, the Third World countries, either the big nations with a long coastline or the small nations with a short coastline, are each building and enhancing their own navies. Some have spent huge sums to purchase large navy vessels from abroad and to import modern military equipment. This is because they realize the fact that without their own powerful navy, it will be impossible to guard against foreign threat and plunder from the sea and to safeguard their own maritime interests.

Commander Liu said: The third characteristic of the new world technological revolution concerning the maritime field is that the military value of the sea will be still further enhanced.

The emergence of various new technologies, including the new achievements in oceanic science and technology, and their rapid and wide applications for navy building will bring about profound changes in the military equipment, operational methods, training of talented people, and establishment of the Navy. The Navy has now enhanced its capability to utilize the sea. The scope of sea warfare operations has extended from the limited space of the air, the surface, the water, and coasts, to all space from under the sea to outer space and from the sea inland. The concept of naval battle has been extended from the traditional decisive warship engagement and the tactical offensive of shallow coastline targets to the launching of strategic nuclear attacks against internal targets on an opposite shore. With the perfecting of reconnaissance technology and means, and the greater accuracy and destructive power of ballistic missiles, the security of the coastal launching silo and other important facilities will be seriously threatened, whereas security below the sea and in deep water will be further guaranteed. According to analysis of relevant data, in the face of a large-scale nuclear attack, less than 10 percent of the coastal launching silos will survive, whereas submarines armed with ballistic missiles can use the surface of the sea to protect and cover themselves, preserve the nuclear offensive force, and play a deterrent and containment role. Thus it can be seen that from a series of changes in the new world technological revolution which have taken place in the maritime field, it is absolutely necessary to enhance the understanding of the position and role of the Navy, and the trend of the times is to speed the building of a powerful modern Navy.

When we inquired about the development of China's Navy, Commander Liu said: Since its formal founding on 14 April 1950, the Chinese Navy has, after 30 years of effort, developed into a comprehensive branch of the Armed Forces, with submarines, surface vessels, flying units, coastal defense units, marines, and so on. Moreover, it has initially formed a modern arms and equipment system and has the capability to fight on the surface, under water, and in the air. It thus effectively defends the motherland's seas and upholds China's maritime interests.

Commander Liu paused for a while and said with emphasis: China is a large maritime country with a coastline of over 18,000 kilometers, over 6,000 islands, and several million square kilometers of sea. The Navy required by the state must be a powerful force sufficient to guard against seaborne incursion by any enemy. In light of this demand and the momentum of large-scale exploitation and utilization of the seas, our Navy needs to be greatly strengthened both in size and in the degree of modernization.

Regarding how navy building should be strengthened in the new situation, Commander Liu stressed three points:

1. It is necessary to thoroughly eradicate the pernicious influence of the "left" deviation in the guiding ideology of building the Navy and to have a clear idea of the fundamental task entrusted to the People's Navy by history. Lie Huaqing recalled Comrade Liu Shaoqi's inscription written for the People's Navy in November 1959: "Build a powerful Navy; develop China's marine undertakings." He held that Comrade Shaoqi had strategic foresight for combining Navy building with marine undertakings and for linking the state defensive force with economic construction. However, during the "Great Cultural Revolution," Lin Biao, the "gang of four," and similar figures set the Navy building course initiated by Comrade Liu Shaoqi against the strategic objective: "In order to fight against imperialist aggression, we must build a powerful Navy," which was proposed by Comrade Mao Zedong in 1952. They used every means to distort Comrade Liu Shaoqi's inscription and even regarded it as a revisionist line in Army building. This had an adverse influence on the People's Navy troops.

Therefore, we must comprehensively and correctly understand the instructions made by the proletarian revolutionaries of the older generation on navy building, study Central Military Commission Chairman Deng Xiaoping's instructions made for the fighting objective and direction of navy building, and unify the guiding ideology for building the Navy to ensure it meets the needs of China as a large maritime country and of the development of the motherland's exploitation of the sea.

2. It is necessary to take an active part in the economic construction of the state, particularly in building the coastal cities opened to the outside, and in the exploitation and use of the sea. Commander Liu quoted Engels: "Nothing in the world has relied so much on the economic prerequisite as the ground force and the navy. Equipment, establishment, tactics, and strategy rely, above all, on the production level of the time." It would be an impractical illusion to talk about the development and building of the Navy in isolation by deviating from the national economic construction and scientific and technological level. He held the decision of the CPC Central Committee and the State Council of further opening the 14 coastal cities to the outside world was an important policy decision for accelerating China's economic construction. Provided we have developed the coastal cities' economy, the economic strength and scientific and technological level of the entire state, and the industries such as shipbuilding, electronics, machine building, chemicals, and so on, we will in turn offer a solid material and technical foundation for navy building and push forward the building of the Navy. Liu Huaqing emphatically said: As we have the favorable conditions, it is necessary for the Navy to support the construction of the coastal cities. For example, most Navy personnel are stationed in the coastal cities and have the technical force for transport, flying, sea survey, rescue, repair, sea engineering, navigation, submarine medical insurance, and so on. We will go all out to support economic construction of the coastal cities and to a good job in this major issue, which can benefit the state, the Army and the people.

3. It is necessary to step up education and training and to vigorously train talented people. With the impetus of the current new technological revolution, China's Navy, like the navies of all countries, is developing in the direction of missiles, electronics, nuclear power, and automation. The large-scale application of various new materials, techniques, and technologies in navy equipment will make the characteristic of intensive knowledge and technology of the Navy more prominent. This inevitable trend of history demands we attach greater importance to the exploitation of intellectual resources and to the upgrading of knowledge. Only in this way can we train talented people of high quality who can suit the needs of modern sea warfare. Therefore, we must genuinely put education and training in a strategic position, strictly train the soldiers at sea and in the air, run the Navy academies well, and conscientiously implement the principle: "Education should be geared to the needs of modernization, the world, and the future," Deng Xiaoping, chairman of the Military Commission of the CPC Central Committee, has said.

#### NATIONAL MILITIA WEAPONRY MEETING HELD

SK210412 Jinan Shandong Provincial Service in Mandarin 2300 GMT 20 Sep 84

[Excerpts] The national militia weaponry management and maintenance experience-exchange meeting was held in our province from 12 to 20 September.

[Chen Chao), deputy director of the Mobilization Department of the PLA General Staff Headquarters, [Zhang Huanjun), deputy director of the Ordnance Department of the PLA General Logistics Department, Li Zhen, deputy secretary of the Shandong Provincial CPC



Committee and provincial vice governor, Bai Bin, deputy commander of the Jinan Military Region, and Xu Shulin, political commissar of the provincial Military District and Standing Committee member of the provincial CPC Committee, attended the meeting.

During the meeting, 22 units introduced their experience in strengthening militia weaponry management and maintenance. The meeting noted that conscientiously strengthening militia weaponry management and maintenance is necessary not only for strengthening the training and guard duty of the militia but also for building and safeguarding the four modernizations. The state economic readjustment and reform and the development of the building of militia have also proposed new demands on the militia weaponry management and maintenance work. All localities should fully understand the great significance of this work and pay due attention to it. We should proceed with this work from catering to the need of the rural and urban economic system reform, as well as the new situation in militia work, and should further attend to weaponry to form complete sets of arms in line with the principle of benefiting the four modernizations construction alleviating the burden of the masses, contributing to militia work, and strengthening war preparedness. We should also readjust the structure and variety of arms, boldly reform and blaze new trails, and strive to raise the management and maintenance of militia weaponry to a new level.

#### GIVING ENTERPRISES MORE POWER SUGGESTED

HK200347 Beijing GUANGMING RIBAO in Chinese 2 Sep 84 p 3

[Article by Wang Youming, You Dehui, and Jiang Yigua: "Enterprises Should Have the Authority To Expand Reproduction"]

[Text] At present, economists in our country mainly hold two different opinions on the issue of how to define the competence of the state and the enterprise in managing enterprise operations so as to better coordinate the economic relationship between them. One opinion holds that the management power of an enterprise should only be limited to the conduct of simple reproduction within the scope of its original financial resources. The other opinion holds the enterprise should not only have the authority to conduct simple reproduction, but should also be authorized to retain sufficient funds for conducting expanded reproduction. We agree with the latter opinion.

First, as a relatively independent commodity producer, the enterprise must have initiative in expanding its operations. The enterprise is a basic unit or a cell of the national economy, so it should be a vigorous and dynamic organization with the ability to expand its operations and to grow independently. This is a factor with a bearing on the development of the national economy. The enterprise should have the authority to decide on increasing or reducing, as well as selecting the subjects and means of labor. Under the premise of ensuring the fulfillment of state plans, the enterprise should be allowed to use its own money to expand its production capacity in the light of social needs. That is to say, the decisionmaking power of the enterprise in conducting expanded reproduction is determined by the character of the enterprise, which functions as a dynamic economic entity. In the past, enterprises were given little capacity for expanding their operations on their own. Now, more decisionmaking powers will be given them. In this process, we should first properly coordinate the relationship between the state and the enterprises in income distribution. It is not only necessary to guarantee the steady increase in the state's financial revenue, but also to ensure that enterprises can have certain financial resources and decisionmaking power in their operation and development.

The substitution of tax payment for profit delivery enables the enterprises to quickly achieve an independent position in conducting their operations and to bear sole responsibility for their profits and losses so that they can have sufficient capacity for deciding on their self-expansion and for becoming increasingly dynamic. Only when each enterprise, as a cell of the national economy, really becomes dynamic can the national economy develop rapidly.

Second, as a relatively independent commodity producer, the enterprise must have its independent economic interests. In order to develop its economic interests, not only must the enterprise tap potential from its original financial resources so as to expand its production, but more importantly, it must also conduct expanded reproduction to achieve greater economic interests. This will motivate the enterprise's interest in technical transformation and expanded reproduction. To do this, the enterprise must have funds. Of course, the funds needed by the enterprise in conducting expanded reproduction can be appropriated by the state from the state financial budget, but practice shows that this method cannot achieve good economic results because part of expanded reproduction is not directly linked with the enterprise's economic interests. In the course of expanding the decisionmaking powers of enterprises, we can adopt another method, that is, allowing the enterprises to retain most of their depreciation funds and a certain amount of funds for conducting expanded reproduction. This can closely link the technical transformation of old enterprises with their economic interests. Through technical transformation, the enterprises can develop production, retain more profits, improve the collective welfare, and issue more bonuses to workers. Thus this can more effectively encourage the enterprises to strive for technological progress and can fully arouse the initiative of the enterprises and workers so as to enhance the economic efficiency.

Third, as a relatively independent commodity producer, an enterprise is bound to be involved in competition with other enterprises in the same trade. The competitive power of an on the market has a direct bearing on its economic interests. So market competition will act as an invisible but effective motivator that prompts the enterprise to continuously improve its technology and management so as to produce more low-cost and marketable goods. Obviously, it is hard for an enterprise to meet this objective requirement if its management capacity is only limited to the use of its original financial resources; instead, it must have certain authority to conduct expanded reproduction and should be allowed to arrange independently the production of goods needed in state construction and on the markets under the premise of ensuring the fulfillment of state plans. Enterprises should be allowed to utilize development funds which are temporarily idle to form new economic combinations on the principle of voluntary participation and mutual benefit, and should be authorized to arrange their technical transformation projects and to lease or transfer their redundant and idle fixed assets. All this is closely related to the effectiveness and efficiency of expanded production. If enterprises have no initiative capacity in these aspects, the enlivening of the enterprises will only be empty talk.

Fourth, the development of the national economy also requires that enterprises be given certain authority in the conduct of expanded reproduction. There are now nearly 400,000 existing industrial and transport enterprises in our country, and they are in the forefront of our modernization process. In the future, more new enterprises are to be built in order to advance expanded reproduction, but we will not be able to build a large number of such enterprises. Expanded reproduction will rely mainly on the technical transformation of the existing enterprises whose role must be brought into full play. If enterprises are required to deliver all their profits to the state and are not allowed to retain any extra working funds in their hands, it will be hard for them to carry out technical transformation and to conduct expanded reproduction.

A prerequisite for the enterprise to conduct technical transformation is that it must have control of a certain amount of enterprise funds. In recent years, the practice of allowing enterprises to retain part of their profits has fully proven this point.

It should be pointed out here that in the economy under the whole people ownership system, the state enterprise is just a relatively independent commodity producer rather than a completely independent commodity producer. Therefore, its decision-making power should be limited to a certain scope. As far as the conduct of expanded production is concerned, the main party should be arranged by the state in a coordinated way while enterprises should only arrange those small-scale projects related to simple reproduction by using their available financial resources. However, if the state leaves all or most funds for large-scale technical transformation and for expanded reproduction in the hands of the enterprises, the state will be short of financial resources, and this contradicts the nature of our socialist planned economy and is bound to cause many difficulties for socioeconomic life. Some lessons on this point have been provided by East European countries, and we should heed their warning.

#### OVERALL BALANCE SAID GENERAL PLANNING PRINCIPLE

HK150426 Beijing RENMIN RIBAO in Chinese 3 Sep 84, p 5

[Article by Xu Xuehan and Mao Tianqi: "Overall Balance Continues To Be the General Principle in Formulating Plans"]

[Text] Whether or not overall balance should be upheld in formulating economic plans is an important theoretical question for whether or not the national economy can maintain its steady growth and "conserve its strength" for further development. Recently, in light of the realities in China's financial and material capabilities, we have restudied Comrade Chen Yun's works on economics and feel keenly that overall balance remains the general principle to be followed in formulating economic plans.

#### I

By 1956, great achievements had been scored in China's economic construction. In industry, the target of total output value set in the "First 5-Year" Plan was fulfilled 1 year ahead of time; in agriculture, bumper harvests in grain and cotton were reaped; and the socialist enthusiasm of the people throughout the country ran unprecedentedly high. In the face of victories, we committed the error of "premature advance" in our guiding ideology. The drastic increase in capital construction investment and excessively rapid growth in social purchasing power resulted in financial deficits and strains in the supply of means of production and consumer goods. At that time Comrade Chen Yun pointed out: The scale of production should correspond to national capability and balances should be maintained in financial, credit, material, and foreign exchange matters on the basis of rational proportional relations. Having had a sobering effect on those who committed the error of "premature advance," this view is also our general principle when formulating economic plans.

By striking an overall balance in the national economy, we mean attaining a balance between revenue and expenditure, bank credits, materials supply, and foreign trade and between the combination of finance, credit, and foreign trade on the one hand and materials on the other hand. To carry out social reproduction smoothly, we must strive to maintain a certain balance between the total volume of products turned out by the society within a year and the national income on the one hand, and the amount of these products used for compensation, accumulation, and consumption purposes on the other hand.



During a certain period in the past, we drew up plans in accordance with the viewpoint of "positive balance" and asserted that the method of leaving some "gaps" in drawing up plans could allow the "short-line" [where demand exceeds supply] departments to catch up with the "long-line" [where supply exceeds demand], thus advocating that balance should be achieved according to the long-line method. Comrade Chen Yu quite strongly disagrees with this method. In a speech delivered in January 1957, he said: "The scale of construction should correspond to the state's financial and material capabilities. Whether or not they correspond to each other serves as an indication of whether the economy is stable or not.... If the scale of production exceeds the state's financial and material capabilities, this will mean premature advance leading to economic chaos, and if the two dovetail, the economy will become stable." To counter the method of leaving some "gaps" in drawing up plans, he made some particular proposals: Balance should be achieved according to the short-line method; only in this way can there be a real overall balance. State revenue and expenditure and bank credits should be balanced with a slight surplus. A balance should be maintained in materials supply in accordance with the principle of "first feed the people and second build the country." In the distribution of raw and semi-finished materials, it is necessary to first ensure the needs of the departments producing daily necessities before ensuring the needs of the departments producing the means of production and, finally, using the surplus part in capital construction. The growth of the people's purchasing power should go together with the feasibility of consumption goods supply. In achieving a balance, we must take into account not only the situation in a specific year but also both past experience and the situation that may possibly arise in the future. These were some of his ideas.

Our long accumulated experience indicates that the plan with "gaps" means doing things without planning and this way of doing things can bring about serious disproportions in the national economy and cause enormous waste in material wealth and, what is more important, in our most precious time for construction. We must bear this lesson firmly in mind.

Comrade Chen Yun has always opposed financial deficits and inflation in undertaking capital construction. In a speech, he said: "We must see to it that the scale of capital construction depends on the amount of raw and semi-finished materials in our hands and not on the amount of currency." "Currency is the counter of materials and in issuing currency, we must have the corresponding amount of materials that can balance the currency issued." He repeatedly exhorted us to arrange state economic construction on the basis of doing things according to our abilities. The purpose of attaining an overall balance is to do a good job in the distribution of national income on a proportional basis. In other words, first we must determine to what extent the people's living standards have been improved and then determine the pattern of production, the size of accumulation, and the distribution of national income in the light of consumption needs so that it is feasible, through repeated balancing efforts, to keep commodity supply a little larger than social purchasing power and so that market stability can be maintained.

We have not yet set up an economic responsibility system under which returns from investment are strictly assessed. Under the funds supply system, it is very difficult to thoroughly do away with the "pathological hunger for investment." Since the 3d Plenary Session of the 11th CPC Central Committee, the scale of budgetary investments has been brought considerably under control, but that of ex-budgetary investments has continued to swell, and the total volume of investments in fixed assets remain on the excessive side. On the other hand, while improvement has been achieved in people's living standards, the increase in the personal income of the urban and rural population has been a little too rapid.

Consequently, the total social demand has exceeded the total social supply, the overall balance of the national economy has not yet been achieved completely, and a fundamental turn for the better has not yet been brought about in the country's financial and economic situation.

At present, although our production has greatly expanded, the central authorities still have difficulties in finance. If we can rationally control the scope of capital construction, arrange consumption growth in a planned way, reform the management system, readjust the economic structure, and attain better economic results, it will be possible to gradually eliminate imbalances in the economic operation. What warrants attention is that in a new situation of expanded commodity production and exchange, capital goods have gradually entered the circulation field as commodities, the number of capital goods sold at negotiated prices is steadily increasing because their supply falls short of demand, there is a strain on the supply of three kinds of materials needed for capital construction, whose prices are going up year after year, and the construction costs for capital construction projects have almost all exceeded their budgetary figures. As for consumer goods, although major articles for daily use are still subjected to planned prices, the number of commodities sold at negotiated prices is increasing. Consequently, a part of the additional income the masses earned has been eaten away by price hikes. This trend in price development coupled with the irrationalities of the pricing system as a whole has added up new problems for the state's financial affairs and a burden on state financial subsidies. In addition, the economic relations between the state and the enterprises, between the enterprises and their staff and workers, and between the central and local authorities in terms of the distribution of interests have not yet been straightened out completely. Therefore, in order to fulfill the tasks of the vigorous economic development in the 1990's and to maintain steady economic growth and conserve strength for further economic development, on no account must we lower our guard just because the situation is fine as a whole. We must stress continuing to straighten out economic relations and formulate economic plans on the basis of achieving a rough balance between revenue and expenditure.

### III

In using credit funds to undertake capital construction, it is necessary to take the overall balance of finance and credit as a prerequisite. In the early 1960's, upon learning that some comrades suggested credit funds be used in undertaking capital construction, Comrade Chen Yun emphatically pointed out: If we use necessary credit funds and circulating funds to undertake capital construction, there will be gaps in the materials supply. This argument simply does not work and is dangerous. Now this advice of Comrade Chen Yun is still of great, immediate significance.

At present, of the bank savings deposits, a certain amount belongs to expansile savings deposits which resulted from credit inflation. This cannot be considered a real source of funds for undertaking capital construction, or inflation will eventually result. It must be affirmed that replacing state financial allocations with bank loans in undertaking capital construction is of benefit in strengthening the economic business accounting of capital construction, shortening the construction period, and increasing the economic life of construction. At the same time, with the reform of the economic system, from now on the potential for funds coming from bank loans should continue to be tapped. In this situation it is still more necessary, as we see it, to stress achieving an overall balance in finance and credit and to practice unified balance planning. Revenue and expenditure should be put under strict control. Banking matters should be conducted in a lively manner and the function of banks in collecting funds scattered in society should be appropriately brought into play.

Medium or long-term bank credits invested in capital construction should be strictly controlled, but short-term (within 3 years) investment credits used in the renovation and technical transformation of fixed assets should be handled flexibly. Issuance of currency relating to financial affairs should be put under rigid control, but the extension of funds used to promote social production and circulation and the attainment of better economic results should be handled flexibly.

The policy of opening to the outside world is a national one we should firmly follow in the new situation. We should vigorously import foreign capital so as to promote the four modernizations program. The importation of foreign capital will naturally result in the importation of equipment and materials, but it is restricted by our ability to supply the goods, materials, and funds needed to provide necessary accessories, as well as by the scientific and technological level of our management personnel and staff and workers, our ability to assimilate foreign capital, our ability to repay foreign capital and debts, and the source of foreign exchange. Therefore, we must unify the borrowing, utilization, and repayment of foreign capital and bring this unification in line with the domestic economic plans on an balanced overall basis. With the development of foreign economic relations and trade, it is very important to strike an overall balance in foreign exchange earnings and expenditures. We must not think that the more foreign exchange surplus we have, the better. Foreign exchange surplus and reserves are the basis for the change of domestic funds or materials. If foreign exchange reserves are excessively held up, this will surely affect the operation of the domestic economy and give rise to inflation.

#### IV

In recent years, some comrades have argued for the use of inflation in stimulating the economy. The plans with "gaps," "deficit is not harmful," and credit inflation are, in the final analysis, derived from this argument. To uphold the overall balance of economic plans or to follow the notion of the so-called "optimum inflation" is a important question which should be resolved in making macroeconomic policy decisions.

Inflation is an abnormal phenomenon in currency circulation, resulting from the fact that the increase of currency which exceeds objective demands (including the excessive issuing of paper money and credit inflation) causes devaluation and promotes price hikes. In economic terms, inflation can first affect the improvement of the people's real living standards, and second, intensify the contradiction between supply and demand. There is already a "gap" between the feasibility of commodity supply and our social purchasing power. The increase of currency can widen the gap between the supply and demand for materials and can simultaneously induce enterprises to manufacture goods in a rough and slipshod way, to use inferior materials and turn out substandard goods, to pass on defective goods as quality ones, and to give short measure. All these practices can have poor economic results. Moreover, China is practicing planned prices among major products that affect the national economy and the people's livelihood. When the prices of other products go up, the price disparity between these two categories of products will become more irrational and it will be more difficult to balance their economic results, to work out state plans, and to put the business accounting of enterprises into effect.

In addition, we must also see that not being merely an economic issue, inflation can produce a malign impact on the stable political situation. Therefore, we must never use inflation as a means to stimulate the economy but, on the contrary, we must uphold the principle of overall balance. Of course, by overall balance we do not mean the ossified static balance in a brief space of time. In a short time or in a certain period of time, some imbalance can be tolerated.



However, what is important is that we must strive to achieve a dynamic balance within the foreseeable limits and on the basis of developing the economy. Particularly in medium or long-term development plans, we must adhere to the principle of leaving some margin when drawing up a plan, take into account both past experience and the possible future situation, and ensure steady economic development through overall balance in macroeconomic terms.

In carrying out state economic construction, there is only one broad road to take; namely, we must act in accordance with objective economic laws. For this purpose we must adhere to the overall balance of the macroeconomy. Comrade Deng Xiaoping said: "The effort to change this state of affairs (meaning the imbalances in finance, credit, materials, and foreign exchange -- author) is entirely identical with the general principle formulated by the third plenary session for correcting the 'leftist' mistakes and proceeding in all cases from actual conditions, and is a necessary condition for achieving modernization." "In carrying out production and construction, building administrative facilities, and improving the people's livelihood, we must suit the task to our capabilities and keep expenditures within the limits of income. This is called seeking truth from facts." ("Selected Works of Deng Xiaoping," p 314) These remarks by Deng Xiaoping are golden sayings we should follow for a long time in carrying out the socialist modernization program.

The overall balance of the macroeconomy is a socio-economic condition. We need to reform the economic system in an overall manner. Particularly as far as the reform of the existing pricing and wage systems is concerned, if the economic relations of all sides concerned are excessively strained, any useful reform will not necessarily produce good social results. Only when the economic system is reformed in an overall manner can there be a real upsurge in national economy. To do a good job in overall balance, we must strive to invigorate the economy, to straighten out economic relations, to give full play to the enthusiasm of enterprises, staff and workers, and intellectuals, to continuously raise economic results, and to significantly increase social wealth and social surplus products (m) [as published] by means of conducting numerous orderly reforms in the countryside and cities. In this way a fundamental turn for the better can be brought about in the country's financial and economic situation and a solid foundation can be laid for the vigorous development of the national economy in the 1990's.

#### LIAOWANG VIEWS CHINESE BANKRUPTCY SYSTEM

HK190800 Beijing LIAOWANG in Chinese No 35, 27 Aug 84 p 21

[Article by Li Quande of the Gansu Provincial Judicial Department. "Set Up a Bankruptcy System With Special Chinese Characteristics"]

[Text] We are committed to the enactment of a bankruptcy law, but not by mechanically copying the law of other countries. We must proceed from the actual situation in China and institute a socialist bankruptcy system with special Chinese characteristics. Beginning in 1982, the state enterprises in Poland started implementing the new management system of self determination, autonomy, and assuming sole responsibility for one's profit or loss. In light of its own characteristics, Poland promulgated the "enterprise bankruptcy law," and in early 1983 declared the bankruptcy of a state-owned building company.

In order to institute a socialist bankruptcy system with special Chinese characteristics, it is first necessary to solve the problems of understanding.

The bankruptcy system came into being and gradually matured in the course of the development of commodity economy of the private ownership.

It is by no means a law of commodity economy peculiar to private ownership. Like the corporation system, it is the outcome of a certain developmental stage of commodity economy and is a means for managing commodity economy and for ensuring the development of commodity economy. Therefore, it is not a system limited to capitalism. The correct application of this management method will not harm the socialist system of public ownership, but will be advantageous to the development of socialist commodity economy and to the enhancing of the basis of socialist economy.

Naturally, we should also be aware that every specific bankruptcy may reflect the law by a certain claim. Viewed in this sense, there are essential differences between the bankruptcy system of socialism and that of capitalism.

In China the bankruptcy system is expressed in the law which regards market regulation as the necessary complementary means for the planned economy. It can consciously give play to its regulatory role only under the guidance of the national economic planning. However, it spontaneously plays its role in capitalist society. The enterprises in capitalist society run their course in the competition in which the weak are the prey of the strong.

Under the conditions of socialist planned economy in China, after implementing the system of "substituting tax payments for profit delivery and assuming sole responsibility for one's profits and losses" and the bankruptcy system in the enterprises, the state actually did not let things drift or allow some enterprises to run their course in competition. On the contrary, the state exercised planned leadership and intervention over the production and operation of enterprises, and when necessary, also offered certain economic assistance and support. Concerning certain enterprises and products which directly affect the national economy and the people's livelihood, the state may offer more economic assistance and support within a certain period. These principles are also applicable to the small and medium-sized state enterprises and the collective enterprises. We must also act according to this principle in enacting the bankruptcy law.

Thus, we should take note of the following problems while instituting the socialist bankruptcy system with special Chinese characteristics.

First, in order to institute a bankruptcy system in China, it is necessary to implement the principle of "taking conciliation as the main factor while making bankruptcy subsidiary." Viewed from the angle of macroeconomics, the closing of enterprises should meet the needs of markets as well as the proportional development of the national economy. Therefore, we must make concrete analysis and deal with the each case on its own merits instead of imposing uniformity on all the enterprises that are on the edge of bankruptcy. In my opinion, some enterprises are indeed necessary for the development of the national economy. Although they are in a state of bankruptcy, they can improve their operations and management through readjustment. In accordance with the above principle of "taking conciliation as the main factor while making bankruptcy subsidiary," we should allow them to consult with the creditors; but forward their "conciliatory plans" based on improving operations and management, resuming production, and ensuring the repayment of debts; and let them continue to carry out production and operation. As for the enterprises that have suffered deficits for a long time and failed to make any improvements, the bankruptcy law should be enforced to resolutely eliminate these enterprises so that we can transfer the production funds and labor force to other economic departments as quickly as possible and prevent a greater loss of material and human resources.

The "conciliatory" system mentioned above not only embodies the prevention of bankruptcy, but also gives the state more direct power for economic intervention.

Under the guidance of the principle of "taking conciliation as the main factor while making bankruptcy subsidiary," should the enterprise that have suffered deficits for a long time and that are unable to clear their debts continue to exist after conciliation, or should they be eliminated after bankruptcy? The state can exercise the means of economic support, strengthening management, and so on (such as using bank loans and other forms) to determine their destiny.

Second, concerning the effects, jurisdiction, repayment schedule, procedures, and conditions of enterprise bankruptcy and the conditions, effects, and other problems of conciliation, we must make relevant provisions in light of the actual circumstances of China and by using the experience of other countries for reference. For example, while stipulating the conditions for bankruptcy, we should mainly refer to the enterprises in which the total amount of debts have exceeded their total amount of fixed assets. If the amount of fixed assets of some enterprises are temporarily greater than the amount of debts and they cannot repay the debts for the time being, we must adhere to the principle of conciliation. For another example, before the workers of a bankrupt enterprise are transferred to other enterprises, they should be allowed to receive living expenses which are equivalent to a certain percentage of their former wages. The chief leading cadres of the bankrupt enterprises must not be allowed to hold leading posts for a certain period of time (the "Enterprise Bankruptcy Law" of Poland has set the limit at 5 years).

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HK171045 Beijing RENMIN RIBAO in Chinese 15 Sep 84 p 5

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MANAGER INTERVIEWED ON GUANGDONG NUCLEAR PROJECT

HK200741 Beijing ZHONGGUO XINWEN SHE in Chinese 0730 GMT 18 Sep 84

[Text] Shenzhen, 18 Sep (ZHONGGUO XINWEN SHE) -- The construction of the Guangdong nuclear power station -- China's first large nuclear power station -- is arousing wide-spread interest among people at home and abroad. The reason for this is that not only will the nuclear power station provide a large amount of electric power, it will also play a positive role in setting an example for the construction of China's nuclear power stations as well as in acquiring experience in introducing advanced technology to the construction of China's large nuclear power stations. In Shenzhen, a ZHONGGUO XINWEN SHE reporter interviewed Mr Bai Rui Te [4101 3843 3676] (China Project Manager), assistant manager of the Ke La Ma He [0344 2139 3854 6378] design institute of the French electric power company responsible for designing the Guangdong nuclear power station.

Reporter: Can construction of the Guangdong nuclear power station be completed in 6-1/2 years?

Bai Rui Te: Fifteen years ago, France built its first nuclear power station in Fessenheim along the Rhine with an installed capacity of 900,000 kilowatts. It took 8 years. Since then, France has built 34 nuclear power stations, of which 28 have been put into operation and 6 are still under construction. According to France's experience, to build a nuclear power station with two generating units with an installed capacity of 900,000 kilowatts, it will take 5 to 5-1/2 years to complete the construction of the first generating unit and about 1 year to complete the construction of the second generating unit, thus making a total of 6-1/2 years. Internationally speaking, this is a medium to fast pace. The Guangdong nuclear power station is the 35th nuclear power station which we have undertaken to design. We will spare no effort in building it. The Chinese Government attaches great importance to building the first nuclear power station and has provided the same favorable conditions as are given to special economic zones. In addition, labor in China is cheap. In view of these factors, it should be possible to complete the construction of the Guangdong nuclear power station in 6-1/2 years.

Question: What is the difference between the project design of the Guangdong nuclear power station and those in France?

Answer: Many types of reactors are used in the nuclear island. France uses compressed-water reactors, as they are safe and economical. The Guangdong nuclear power station will adopt a Type M31D compressed-water reactor, which is a little more advanced than those used by France. The purpose of using such a reactor is to enable the nuclear power station to operate more economically, rationally, and safely.

Question: How safe is the Guangdong nuclear power station?

Answer: At present, nuclear power reactors are used in nearly 300 power stations in some 20 countries and regions, and they have been operating for many years. No one has died because of a nuclear power station accident. Some nuclear power stations in France are only about 100 kilometers from big cities. But because they have good safety protection facilities, they do not pollute the environment. Local governments in France attach great importance to educating the public in the use of nuclear energy and use various methods to explain to the public the relationship between developing nuclear energy and developing the economy. Therefore, the public is in favor of the construction of nuclear power stations. The environmental protection of the Guangdong nuclear power station will be carried out completely in accordance with French standards and rules, and, following China's suggestions, the safety coefficient will be raised. Not long ago, China and France discussed the problem and reached an agreement. After the initial safety analysis report has been approved, the Guangdong nuclear power station will start its construction projects. I believe that safety and environmental protection will not be a problem.

Question: Are you satisfied with the preliminary projects of the Guangdong nuclear power station?

Answer: I went to the construction site a week ago and saw that the mountain top, originally 60-meters high, had been cut to some 10 meters. The dike built with the earth and rocks dug out of the mountain top was already 400 meters long. Mechanization has been introduced to nearly all the construction site, and the workers are working day and night. In France, things are different. While building a nuclear power station, the French workers do not work in three shifts as do the workers here; they work in one shift. The drive of the Chinese workers is admirable. The progress of construction is faster than was expected. Happily, the weather has been fine during the construction period.

Question: What do you think of China's construction and management of nuclear power stations?

Answer: The Guangdong nuclear power station is first large nuclear power station. Although China's engineers and technical personnel have never taken a direct part in building nuclear power stations before, they have experience in building thermal power stations. This is quite a favorable condition. A nuclear power station engineering contingent can be trained in the course of constructing nuclear power stations. I feel that Chinese specialists possess good technical quality. They have rich experience in building thermal power stations and a talent for management. They are good at learning useful things from abroad. All this is quite valuable. With the addition of friendly cooperation between France and China, the construction of the Guangdong nuclear power station will certainly be completed successfully. The day will soon come when China can use nuclear-generated power to bring prosperity to the people.

#### QIAO XIAOGUANG WATCHES TABLE TENNIS IN GUANGXI

HK210257 Nanning Guangxi Regional Service in Mandarin 1130 GMT 20 Sep 84

[Excerpts] Yesterday evening the Guangxi and PLA men's table tennis teams played in the final of the second stage of the national table tennis championships in the Guangxi gymnasium. Regional CPC Committee First Secretary Qiao Xiaoguang and other leading comrades watched the contest.

#### GUAN GUANGFU ADDRESSES HUBEI ARMED FORCES MEETING

HK200753 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 19 Sep 84

[Text] Guan Guangfu, provincial CPC Committee secretary and provincial People's Armed Forces committee chairman, delivered a speech at the seventh plenary session of the People's Armed Forces Committee of the provincial CPC Committee. In his speech he emphasized that CPC committees and people's governments at all levels must conscientiously review the work concerning the People's Armed Forces under the new historical conditions; guide the militia work and reserve service work with the spirit of reform and new ideology, viewpoints, and methods; and constantly study new circumstances and solve new problems. He pointed out: At present it is necessary to combine the reform in the militia work and military service mobilization work with the reform in the urban economic system, carry out the reforms in a unified way, blaze new trails, sum up fresh experiences, and make efforts to enable the militia and military service mobilization work to stay in line with the economic reform so as to create a new situation in the building of reserve forces in the province.

Guan Guangfu said: At present and for a certain period in the future, we must

First, it is necessary to conscientiously study, publicize, and implement the new Military Service Law; constantly enhance the sense of national defense among the vast number of cadres and the broad masses; and push them to conscientiously perform military service. All departments must draw up appropriate measures to ensure a smooth implementation of the new Military Service Law.

Second, it is necessary to conscientiously prepare for wartime mobilization of reserve forces, set up and improve an instantaneous mobilization system according to the requirements laid down by the higher authorities, enhance our ability for quick reaction, and fully accomplish a high quality job in reserve force mobilization to meet the needs of an antiaggressive war in the future. Third, it is necessary to do a good job in training militia reserve forces with the stress on the training of militia cadres and specialized technical troops. At the same time, it is necessary to make use of allocated and raised funds to speed up the building of training bases in the province and gradually convert the existing training bases into comprehensive training bases with the three-in-one function of a training center, an economic entity, and an arsenal. Fourth, it is necessary to give full play to the militia in the building of the two civilizations. It is necessary to vigorously popularize the Huangpi experience for several years until marked effects are produced. Fifth, it is necessary to properly carry out conscription work and do a good job in giving special care to disabled servicemen and to family members of revolutionary martyrs and servicemen. It is necessary to implement the spirit of reform and successfully complete this year's conscription task. A thorough examination must be carried out around the spring festival in the work of giving special care to disabled servicemen and to family members of revolutionary martyrs and servicemen and concrete actions must be taken to tackle all existing problems. It is necessary to conscientiously make arrangements for the placement of cadres transferred to other trades and of demobilized servicemen so as to give full play to their role as the mainstay in the building of the two civilizations.



ZHU HOUZE SPEAKS AT GUIZHOU NATIONALITY MEETING

HK210309 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 18 Sep 84

[Text] While delivering a report to the provincial commendation meeting for promoting the unity of our various nationalities, Zhu Houze, secretary of the provincial CPC Committee, emphasized: Carrying forward the spirit of solidarity and militancy and rejuvenating China are the common aspirations of the people of all our nationalities. We should, therefore, neither say nor do anything that is harmful to the unity of the nationalities.

Comrade Zhu Houze said: We should carry out, in depth and on a long-term basis, reeducation in the party's policies on nationalities affairs and in promotion of the unity of all our nationalities, and take the promotion of the unity of all our nationalities as a matter of vital importance.

In his report, Comrade Zhu Houze set for the following requirements for promoting the unity of various nationalities:

1. Conscientiously study and foster the Marxist views on nationality affairs. The study of Marxism-Leninism-Mao Zedong Thought on the theory concerning minority nationalities should be regarded as a major content in the province's work of building socialist civilization and building party ideology, which should be carried out on a long-term basis so that our cadres at various levels will be able to deal with the nationality problem in accordance with the Marxist position, views, and methods.
2. Conscientiously study and implement the law on regional autonomy for minority nationalities. The PRC regional autonomy law, adopted at the Second Session of the Sixth NPC, will come into force on 1 October. Party committees and governments at various levels should be extremely conscientious in carrying out the Regional Autonomy Law. Departments at various levels should act according to the law in the national autonomous areas and support the organizations of self-government of national autonomous areas in exercising their right to administer their own affairs. In accordance with the stipulations in the Law on Regional Autonomy for minority nationalities and in line with local conditions and needs, people's governments of autonomous prefectures and autonomous counties should conscientiously study and work out relevant autonomy regulations and specific regulations to guarantee implementation of the Regional Autonomy Law.
3. Continue to implement the party's policy concerning nationality affairs and strengthen our work among the minority nationalities. Since March this year, the provincial CPC Committee has extensively heeded opinions from various circles in party rectification and issued a circular to strengthen and improve our work among the minority nationalities, which assigned tasks in six aspects of the work. These tasks should be regarded as the main points of the province's present and future work in implementing the party's policy concerning nationality affairs and strengthening nationality work. All localities and departments carry them out in a down-to-earth manner so as to create a new situation in the province's nationality work.
4. Carry out in depth and on a long-term basis the education of promoting the unity of various nationalities, which should be taken as one of the major aspects in building socialist spiritual civilization. While developing the five stresses, four beauties, and three loves, all local authorities should take promotion of the unity of various nationalities as a major aspect and pay attention to courtesy, politeness, and new morality in handling nationality affairs. Through the education of promoting the unity of various nationalities, we should foster the idea that the Han nationality and the minority nationalities are inseparable; and in handling national relationships, we should pay guard against and oppose both Han nationality chauvinism and nationality chauvinism.

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In his report, Comrade Zhu Houze urged that all party members and party member cadres, and especially the party's leading cadres at various levels, irrespective of their nationality, uphold the party's principles, struggle for the cause of communism, serve the people of all nationalities, and play an exemplary and leading role in promoting the unity of various nationalities.

XIZANG'S YIN FATANG LAUDS ENERGY RESEARCH GROUP

HK201202 Lhasa Xizang Regional Service in Mandarin 1130 GMT 19 Sep 84

[Text] The 11-member Xizang new energy investigation group, entrusted by the Xizang Economic Work Advisory Group of the State Council and organized by the State Scientific and Technological Commission, has conducted investigations in Nagqu and Xigaze Prefectures in our region. It made a report on the situation in investigating solar energy and wind power in Xizang to responsible comrades of the regional party and government on the afternoon of 18 September. The group put forward many good suggestions on the science and possibility of our region exploiting and utilizing even better new energy resources, such as solar energy and wind power. They are also prepared to analyze the results of the investigation, and after returning to Beijing they will make a report to the Xizang Economic Work Advisory Group of the State Council.

After the investigation group made the report, leading comrades of the regional party and government, including Yin Fatang, Duojiecaidan, and (Wu Changqi) praised and affirmed the achievements of the investigation. They also [words indistinct] and put forward specific measures to implement their suggestions. The leading comrades of the regional party and government hoped that the investigation group will give vigorous support and assistance in all aspects in exploiting new energy resources in Xizang in the future.

NEI MONGGOL'S ZHOU HUI PRAISES CHINESE SOCIALISM

SK200955 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 19 Sep 84

[Text] From the afternoon of 11 September to 12 September, the regional CPC Committee held a meeting for its Standing Committee members to conscientiously study, in line with the actual situation in the region, Comrade Deng Xiaoping's important speech on what characteristically Chinese socialism is. The participants held that Comrade Deng Xiaoping's speech has an extremely important significance in guiding China's current economic reform, party rectification, and modernization drive. They unanimously pledged to implement the CPC Central Committee's line, principles, and policies persistently in line with the guidelines of Comrade Deng Xiaoping's speech; focus their attention on the key links of unity and construction persistently in line with the actual situation of Nei Monggol; and further consolidate and develop the region's excellent situation.

Zhou Hui, first secretary of the regional CPC Committee, said in his speech: Comrade Deng Xiaoping's important idea of building characteristically Chinese socialist construction is a fundamental summary of the experiences of China's socialist construction of more than three decades and, in particular, a scientific summary of the practical experiences gained since the 3d Plenary Session of the 11th CPC Central Committee. Its most fundamental guideline is integrating the universal truth of Marxism-Leninism with the specific practices of China. It is an inheritance and new development of Marxism-Leninism-Mao Zedong Thought.

Comrade Zhou Hui said: Following the CPC Central Committee's instructions, the regional CPC Committee has implemented the policy of regional national autonomy since the 3d plenary session; resolutely safeguarded and developed the socialist national relations of equality, unity, and mutual help; stressed that the basic way is to develop the economy and culture and to carry out socialist modernization; upheld the idea that all nationalities are indispensable to each other; and put forward three specific principles of avoiding impatience, oversimplification, and endless concessions in solving the problems in the relations of nationalities. In economic construction, the principle of emphasizing forestry and animal husbandry while developing diversified undertakings has been implemented. In rural areas, contract and other forms of the production responsibility system have been introduced fairly early. In pastoral areas, the responsibility systems of selling animals to households at fixed prices and dividing grassland for peasants to manage on a contract basis have been instituted. Rapid restoration and development of economic construction and continuous strengthening of national unity have promoted undertakings in various fields. A profound change has taken place in the region's political and economic situations in a short period of 5 and 1/2 years. This vividly illustrates that Comrade Deng Xiaoping's important idea of proceeding from reality in doing everything, seeking truth from facts, and building characteristically Chinese socialism is a scientific theory leading us to success in the four modernizations. Practice over the past 5 years and more also tells us that we should continue to advance and adhere to the guiding ideology of building characteristically Chinese socialism when we are carrying out party rectification, reform, or construction. All departments and fronts should take the initiative in applying the guidelines of the CPC Central Committee's instructions to the region's specific conditions. They should both open to the outside world and enliven the domestic economy. They should continuously study new situations and solve new problems. They should intensify study, but not uncritically. They should strive to learn from others or import new things in order to broaden their horizon, increase knowledge, and overcome the ideas of complacency and closed-doorism. They should take the initiative in submitting to and serving the four modernizations -- the general objective and the general task. In this way, we can continuously expedite our construction and win new victories.



The participating comrades pointed out in their speeches: We should master the two ends and make more efforts to link them together if we are to build characteristically Chinese socialism. The one end is to penetratingly understand the basic Marxist theories and the essence of the CPC Central Committee's line, principles, and policies; the other is to penetratingly understand the actual situation in Nei Monggol. Only by so doing can we make an organic combination of them and do our work from a strategically advantageous position. The participants held that they should study persistently on a long-term basis Comrade Deng Xiaoping's idea of building characteristically Chinese socialism.

#### NEI MONGGOL REVOLUTIONARY UPRISING MARKED

SK201349 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 19 Sep 84

[Excerpts] This year, the date 19 September is the 35th anniversary of the peaceful liberation of the former Suiyuan Province. The former KMT Suiyuan Provincial Army and political personnel who participated in the uprising at that time and patriotic figures of all nationalities on all circles happily gathered at the Hohhot Xincheng Guesthouse on the afternoon of 18 September in order to mark this occasion which is of historical significance.

Shi Shengrong, chairman of the regional CPPCC committee, spoke at the tea party. In marking the 35th anniversary of the 19 September Uprising, we should review history, keep reality in view, look forward to the future, and talk freely and to our heart's content. Through this commemorative activity, we have been further inspired and educated. We will closely rally around the CPC Central Committee, and will make contributions single-mindedly at various posts to fulfilling the four modernizations, the early return of Taiwan to the motherland, and accomplishing the great task of reunifying our country.

After reviewing history and cheerfully chatting about his happy life in his old age, Sun Lanfeng, former commander of the KMT No 9 Corps, who had come over to our side with his troops, and is currently vice chairman of the regional People's Congress Standing Committee, said in his written speech: On the occasion of the 35th anniversary of the 19 September peaceful liberation of Suiyuan Province, I want once again to extend my feelings to relatives and friends in Taiwan. A tree may grow a thousand zhang high, but its leaves fall back to its roots. I hope that my old friends living far off will judge the hour, size up the situation, and make contributions to the great sacred task of reunifying our country.

Speaking at the party were Zhou Beifeng, vice chairman of the regional People's Congress Standing Committee; Wu Ligeng, vice chairman of the regional CPPCC Committee and director of the United Front Work Department of the regional CPC Committee; and Comrades (Lu Zhihao), (Qin Fengchuan), and (Li Jiezhong). Attending the tea party were Batubagen, deputy secretary of the regional CPC Committee; (Hui-le-ba-gen), deputy commander of the Nei Monggol Military District; Chen Bingyu, Yang Lingde, Naqinshuangheer, Li Shuyuan, Han Ming and Yun Zhaoguang, vice chairmen of the regional CPPCC Committee; responsible persons of the United Front Work Department of the regional CPC Committee; and responsible persons of all democratic parties.

#### SHANXI'S LI LIGONG ATTENDS OLYMPIC RECEPTION

SK210811 Taiyuan SHANXI RIBAO in Chinese 5 Sep 84 p 1

[Excerpts] On the afternoon of 4 September, the Shanxi Provincial and Taiyuan City CPC Committees and People's Governments held a victory meeting at the Hubin Meeting Hall in the city to warmly welcome the good provincial athletes, including Zhou Xiaolan, Sun Xiulan, Zhang Weihong, and Feng Zemin, who triumphantly returned from Los Angeles Olympic Games.

At the meeting, Wang Maolin, mayor of Taiyuan City, delivered a welcoming speech on behalf of the provincial and city CPC Committees, people's governments, trade union councils, CYL committees, women's federations, and physical culture and sports commissions.

Liu Jie, chairman of the provincial Physical Culture and Sports Commission, read the award decision adopted by the provincial and city people's governments and various departments concerned. On behalf of the provincial and city trade union councils, CYL Committees, and women's federations, Fan Rongzhi, secretary of the provincial CYL Committee, delivered an ebullient speech. Wang Senhao, governor of the province, also made a speech at the meeting.

Also attending the victory meeting were leading comrades of the provincial and city organs, including Li Ligong and Wang Jiangong; responsible comrades from the provincial and city trade union councils, CYL committees, women's federations, and physical culture and sports commissions; parents of the returned good athletes; and the masses from various circles throughout the city -- more than 5,000 persons in all.

#### LI LIGONG ATTENDS TAIYUAN SPORTS EVENT OPENING

SK210703 Taiyuan SHANXI RIBAO in Chinese 4 Sep 84 p 1

[Excerpts] On the morning of 3 September, Taiyuan City held an opening ceremony for its second sports games for staff members and workers at the Xinghualing Stadium.

Attending the ceremony were leading comrades from the provincial and Taiyuan City party, government, and Army organs; the provincial and city people's Congress Standing Committees; the provincial and city CPPCC Committees; and from mass organizations, including Li Ligong, Wang Senhao, Wang Jiangong, Ruan Bosheng, Chen Sigong, Yang Mingbao, Pan Ruizheng, Li Tingfeng, Wang Maolin, Tong Yun, and Gu Wenbo.

The city sports meeting, jointly sponsored by the city Trade Union Council and the city Physical Culture and Sports Commission, is the second such meeting since the one held in 1952. Since May of this year, the 5,000 sportsmen among staff members and workers across the province have begun competitions in several events. As of now, basketball, table tennis, soccer, and volleyball have been concluded. Field and track will begin on the afternoon of 3 September.

JILIN CPC COMMITTEE HEARS NATIONAL DA REPORT

SK201354 Changchun Jilin Provincial Service in Ma arin 030 GMT Sep 84

[Excerpts] This morning, the Jilin Provincial CPC Committee held a report meeting on the province's situation at the auditorium of the provincial guesthouse on the occasion of the 35th anniversary of the PRC's founding.

At the meeting, Liu Jingzhi, secretary of the provincial CPC Committee, delivered a report entitled "March Triumphantly Along the Socialist Road Reflecting Chinese Characteristics," which contains the following three parts:

1. The splendid achievements scored in the past 35 years.
2. Efforts should be made to explore and open a road for building socialist modernization that reflects Chinese characteristics.
3. Our tasks for building socialist modernization reflecting Chinese characteristics.

As elsewhere in the nation, our province has scored great and inspiring achievements in economic construction and social development over the past 35 years.

In referring to the tasks of exploring and opening a road for building socialist modernization that reflects Chinese characteristics, Comrade Liu Jingzhi stated: Building socialist modernization that reflects Chinese characteristics represents the new development achieved by our party in implementing the socialist theory of Marxism, and also represents the inevitable conclusion of our party in summing up the long-term experience gained in economic construction.

At present, to build socialist modernization that reflects Chinese characteristics, continued efforts should be made to overcome leftist influence and to boldly conduct a series of reforms. In conducting reforms, we should not only do away with obviously irrational and out-of-date regulations and habits, but also make breakthroughs in some experiences and practices that were regarded as successful in the past. We should not only be in conflict with some traditional ideas and encroach on the immediate interest of some persons, but should also conduct large-scale exploration and research in a creative way in the fields of theory and practice. This requires us to be full of ardor and sincerity in conducting reforms, to adopt a scientific attitude toward it, and to bravely conduct reforms and be good at it.

Comrade Liu Jingzhi emphatically pointed out that in carrying out the great cause of creating a new situation in the program of building socialist modernization, we still have a great deal of work to do, which can be summarized as follows: Efforts should be made to do a good job in building socialist modernization, to fulfill the great cause of returning Taiwan to the motherland and reunifying it, to uphold the principle of opposing hegemonism internationally and the foreign-affairs line of safeguarding independence, keeping the initiative in one's own hands, and of maintaining world peace.

In conclusion, Comrade Liu Jingzhi stated: We are firmly convinced that, under the correct leadership of the CPC Central Committee, we will certainly be able to build China as soon as possible into a thriving and prosperous new country with socialist modernizations.

Attending the report meeting were a number of responsible comrades from provincial-level organs; Changchun City organs; various cities, prefectures, and autonomous prefectures; scientific research units and higher educational institutions in Changchun City; and from various major enterprises and establishments.



JILIN COMMENTATOR ON 'BAD HABIT OF LYING'

SK210708 Changchun Jilin Provincial Service in Mandarin 1030 GMT 20 July 84

[Commentator's article: "The Pernicious Habit of Lying Must Be Stamped Out"]

[Text] We can still remember that Lin Biao's slogan -- "We cannot handle major events without lying" -- ran rampant for a while during the 10-year turmoil. Now, 8 years have elapsed since the termination of the Cultural Revolution, but this bad prevailing habit has not yet been eliminated. During the Cultural Revolution, some people were able to win promotions and get rich by lying and making false reports to higher levels, and some people were able to ensure their official posts by providing false evidence to frame others. Through just such methods, a large number of cadres, party members, intellectuals and advanced and model persons were subjected to ruthless struggle and merciless blows, and many of them were injured, became disabled, and were killed, thus causing unprecedented calamity to the party and the state. All victims of the Cultural Revolution should bitterly hate such mean tricks.

Since the 3d Plenary Session of the 11th CPC Central Committee, the ideological line of seeking truth from facts has been gradually restored, and the habit of telling lies has been blunted more and more. Now, being a communist member or revolutionary comrade, one must have the character of being honest in word, honest in deed, open and above board, and thinking and acting in one and the same way. When reporting to higher levels, objective facts should be respected. However, what merits our attention is that some people are used to the bad habit of lying and thus, they will use the same old trick whenever there is an opportunity. Some of them report situations that are contrary to facts; some fraudulently regard hearsay, rumors and subjective assumptions as reliable facts and then report them to party organizations; and some practice fraud in reporting to higher levels. Such a bad habit left over from the Cultural Revolution is extremely harmful because it will interfere with the routine work of party organizations, damage relations among comrades, destroy party unity, and affect the situation of unity and stability. Therefore, the bad habit of laying must be thoroughly eliminated.

LIAONING'S LI DESHENG ON ENDEMIC DISEASE CONTROL

SK210730 Shenyang LIAONING RIBAO in Chinese 1 Sep 84 p 1

[Text] A few days ago, at a brief meeting of heads and deputy heads of the Central Leading Group for Prevention and Treatment of Local Endemic Disease, Li Desheng, member of the Political Bureau of the CPC Central Committee and head of the Central Leading Group for Prevention and Treatment of Local Endemic Disease, pointed out: During the next few months, the major task for all levels of the leading groups for prevention and treatment of local endemic disease and for departments concerned will be to relay and implement the guidelines of the enlarged meeting held in March by the Central Group for Prevention and Treatment of Local Endemic Disease, to comprehensively implement the demands raised in the documents of this enlarged meeting; to solve pending problems, and, in particular, to build leading organs and offices well, and to map out plans for prevention and treatment so as to advance the prevention and treatment of local endemic diseases and score still greater achievements.

Attending the brief meeting were Guo Ziheng and Sun Weiben, deputy heads of the Central Leading Group for Prevention and Treatment of Local Endemic Disease. Attending as observers were director, deputy directors, and advisors of the general office of the central leading group.

PAPER HAILS XINJIANG POLICY ON PRIVATE STUDY

HK200652 Beijing GUANGMING RIBAO in Chinese 10 Sep 84 p 1

[Report by reporter Zhang Tianlai: "Agricultural Division No 8 of Xinjiang Production and Construction Corps Attaches as Much Importance to Practical Contribution as to Academic Background -- More Than 2,000 Young People Who Have Become Qualified Personnel Through Private Studies Enjoy the Treatment Given to Intellectuals"]

[Text] According to Li Shuxian, deputy commander of the Agricultural Division No 8 of Xinjiang Production and Construction Corps, as of this July, the more than 2,600 intellectuals who have become qualified personnel through private studies have been given the monthly allowance of 10-12 yuan for intellectuals in technical posts, like those intellectuals with an academic background. This is one of the measures of Agricultural Division No 8 for implementing the policies on intellectuals. This was told to the reporter in late August.

The leadership of Agricultural Division No 8 holds that in improving the treatment of intellectuals, it is right to pay attention to one's academic background and professional titles; however, attention should also be paid to practical contributions. Those intellectuals who have become qualified personnel through private studies, those who began to participate in specialized technical work before the end of 1966 and who are eligible for their specialized technical posts should all be given the above-mentioned allowance, inclusive of teachers of primary and middle schools (after examination and approval by responsible departments at and above the regimental level). Besides, another 30 yuan should be given to them as an annual allowance for books and newspapers.

In view of the fact that a number of literary and art workers have grown up within the Shihezi reclamation area, the leadership of Agricultural Division No 8 has decided to appropriately improve their treatment according to their respective intermediate or primary professional titles and their practical contributions; while they are given on-the-job allowances and allowances for books and newspapers, their salaries will float up one grade.

This measure has won the acclaim of those intellectuals who have become qualified personnel through private studies. Writer Xu Tesheng, and poet Shi He told the reporter that they were all for this practice of attaching importance to practical contributions and actual standards. According to Shi He, the leadership of the division has really done its best, because there have been no stipulations from higher authorities in this aspect.

The Financial Department of Shihezi reclamation area is ready to draw a few hundred thousand yuan from the local revenues to cover the expenditures involved.

Commentator's Article

HK200830 Beijing GUANGMING RIBAO in Chinese 10 Sep 84 p 1

[Commentator's article: "Do Not Practice the 'Academic Background Is Everything' and the 'Diploma is Everything' Theories"]

[Text] It is true that academic background and professional titles indicate one's abilities; however, they are not the only indicators. In implementing the policies on intellectuals, and in improving their treatment, it is necessary to take into consideration not only their academic background and professional titles, but also their practical abilities and contributions. Agricultural Division No 8 of the Xinjiang Production and Construction Corps has treated as intellectuals those young people who have become qualified personnel through private studies and are eligible for their work in specialized technical posts.

Such a practice should be reinforced. With practice, they have done away with various prejudices such as the "academic background is everything" theory and "diploma is everything" theory.

To attach importance to the "diploma" and the "academic background" conforms to the needs of the four modernizations. This practice has in recent years played a positive role in stimulating young people to study earnestly and to make progress. It is above criticism for some people in society to pursue a diploma and an academic background, which gives expression to their enthusiasm in showing respect for knowledge and the thirst for knowledge on the part of the masses, particularly young people. However, in implementing the policies on intellectuals, attention should be paid to preventing another tendency, namely, going in for such formalistic practices as the "diploma is everything" theory, and "imposing uniformity in everything."

Communists attach great importance to the principle of starting from the actual conditions in everything, and of seeking truth from facts in everything. It is necessary for us to persist in attaching importance to those people who have a diploma and an academic background; however, we should not go in for the theories of the "academic background is everything," and the "diploma is everything." In reference to intellectuals with an academic background at and above the university and intermediate technical schools levels, and those with professional titles, we should implement the policies in earnest, bring into full play their special skills or knowledge, and improve their working conditions and living standards. Regarding those people who have real abilities and learning but lack a diploma or academic background, it is necessary to examine their practical work abilities and practical contributions. If they are really eligible for specialized technical work, they should enjoy the same treatment due other intellectuals, and should not be discriminated against. By so doing, we will be able to encourage young people to study hard and master technical skills on the one hand; and on the other, talents might not be stifled due to the incompleteness and imperfection of some policies. From now on, attention should still be attached to diploma and academic backgrounds in the selection and appointment of talented people, so as to promote a large number of intellectuals who are better in specialized technologies and are capable of leadership, and to place them in leading posts at all levels. However, in the appointment of talented people we should not stick to one pattern. Likewise, in improving the treatment of the intellectuals, we should not stick to one pattern, either. We should not go in for the theory of "academic background in everything," but should attach importance to practical contributions. It is hoped that all localities will start from their own actual conditions and really do a good job in implementing the policies on intellectuals, by boldly adopting some reform measures, following the example of Agricultural Division No 8 of the Xinjiang Production and Construction Corps.

#### LI JIAYU ON STEPS TO PROMOTE XINJIANG LIVESTOCK

HK190202 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 17 Sep 84

[Text] This morning, Li Jiayu, secretary of the regional CPC Committee, spoke at the regional forum on animal husbandry. He said: To promote livestock production in our region in the future, we must do well in grasping six aspects of work:

1. It is necessary to continue to develop and perfect the system in enterprises of contracted responsibilities with payment linked to output, with those run by households as the foundation.
2. It is essential to carry out diversification, to develop commodity production, and enliven the economy in pastoral areas.
3. It is imperative to continue to relax policies on animal husbandry.



4. We must strive to improve the conditions for livestock production.
5. We must vigorously popularize new science and technology and must speed up technological transformation in animal husbandry.
6. All professions and trades must contribute toward the building and prosperity of pastoral areas.

In his speech, Li Jiayu gathered the views put forward by representatives from various places in the course of discussion. He explained in detail the specific requirements for performing the above-mentioned six aspects of work well. He emphatically said: Leaders at all levels must heighten their understanding of the important strategic role of animal husbandry in our region, must really include animal husbandry in the party and government agenda of important topics, and must strengthen leadership. In the future, when we measure whether the work of a place is good or bad, we must regard its situation in animal husbandry as an important criterion. He said: In the wake of continuously perfecting various forms of the livestock production responsibility system and of the development of livestock production, a new situation and many new problems will appear before us. We must go deep into reality and among the masses to strengthen investigation and study and must link the party's principles and policies closely with our actual situation so that work in our pastoral areas can be done better and better and we can make even greater contributions toward the great development of the region's animal husbandry and toward the fulfillment of the objective of struggle -- increasing the region's annual industrial and agricultural output value by 600 percent by the end of this century.

#### Li on Organization in Leadership

HK201345 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 19 Sep 84

[Text] In his speech at the regional forum on animal husbandry work, Li Jiayu, secretary of the regional CPC Committee, said: To develop diversification and commodity production in pastoral areas, it is necessary to strengthen organizational leadership. Comrade Li Jiayu said: Animal husbandry is a comprehensive trade which includes production of forage grass and fodder, livestock-breeding, and collection, processing, and the sale of products. It is incorrect to regard the livestock production in pastoral areas as merely grazing livestock. In production in pastoral areas, we must persist in livestock production as the main work, must link animal husbandry with agriculture, forestry, sideline production, and fisheries, and must engage in animal husbandry, industry, and commerce comprehensively. Practice has proved that the economy in pastoral areas cannot be enlivened without agriculture, commerce, and industry.

In his speech, Li Jiayu pointed out: Where conditions are favorable, the pastoral areas must develop cultivation, such as growing grass, developing fodder production, and cultivating medicinal herbs and other industrial crops. They must vigorously develop the processing trade, must embark on comprehensive utilization, and they must also develop industry and sideline production. Following the increase in products and the development of the processing trade, it is necessary to develop corresponding storage, transport, and sales. This work, particularly the trades which serve livestock production, must become the key trades in pastoral areas.

Li Jiayu said: Specialized households are a forerunner and a new force in commodity production in pastoral areas and are also an important force to develop a diversified economy and to enliven the economy in pastoral areas. Party and government organizations at all levels in pastoral areas must attach great importance to and must vigorously develop forage grass and fodder production specialized households, animal husbandry machinery specialized households, transport and sales specialized households, and all kinds of specialized households which serve livestock production and herdsmen's livelihood so that a fairly large number of herdsmen can, in their hometowns, engage in the activities of serving pastoral areas other than livestock production.

ATTEMPTS TO ASSIST HONG KONG RESIDENTS NOTED

OW200337 Taipei CNA in English 0302 GMT 20 Sep 84 )

[Text] Taipei, Sept. 19 (CNA) -- The Government of the Republic of China on Taiwan is trying to unite Chinese residents and organizations in Hong Kong "to unmask the Chinese Communists' conspiracies to seize Hong Kong" by political means.

In a written statement to the Overseas Chinese Affairs Committee of the Control Yuan -- the nation's highest watchdog body, the Executive Yuan said the government here is making efforts to safeguard the freedom and welfare of the Hong Kong Chinese.

The British Government was reported to have reached an agreement to hand over Hong Kong to the Peiping regime in 1997, regardless of the free will of Hong Kong Chinese who have expressed strong opposition to the so-called Peiping-London resolution.

The Control Yuan Overseas Chinese Affairs Committee recently questioned the government's actions in dealing with the Hong Kong problem.

According to the statement, the government said it has repeatedly made it clear that the ROC has always upheld the policy of accepting the Hong Kong Chinese for resettlement in Taiwan. "We have taken concrete measures to simplify the formalities for entry and exit procedures, making it possible for the Hong Kong Chinese to resettle or find jobs in Taiwan."

Referring to the ROC's international campaign to criticize the hanging of the Hong Kong problem, the Executive Yuan pointed out that the ROC Government has actively contacted the international press media to make joint efforts to call for the peoples and governments of the freedom-loving countries around the world to support the Hong Kong Chinese honoring their free will and ensuring the freedom and prosperity of Hong Kong.

The government is prudently studying the feasibility if the offshore Penghu Islands, formerly called by foreigners as "the Pescadores", may be designated as a special economic zone for the Hong Kong Chinese as suggested by a Hong Kong newspaper.

## Office Set up

OW191305 Taipei CNA in English 0936 GMT 19 Sep 84

[Text] Taipei, Sept. 19 (CNA) -- The Overseas Chinese Affairs Commission (OCAC) activated a new office Tuesday to answer queries from Chinese residents in Hong Kong who plan to move here before the scheduled Communist takeover of the colony in 1997. The new office, located on the 4th floor of the OCAC building at 30 Kungyuan Road, Taipei, will answer questions concerning exit-entry, investment, real estate purchases, settlement and schooling.

OCAC will call a meeting shortly to discuss ways and means to render help to those Hong Kong Chinese who do not relish life under communism. Discussants will include representatives from the Ministries of Interior, Foreign Affairs, Economic Affairs and Education.

OCAC has invited several groups of community leaders from Hong Kong to come here to exchange views with a Cabinet ad hoc group about how best the government can help the colony's anti-Communist residents. Premier Yu Kuo-hwa has promised to make public what the government will do in this regard at an appropriate time after the final agreement between Peiping and London is announced.

OCAC Chairman Tseng Kuang-shun said Tuesday the government does not wish to see Hong Kong residents give up hope too early.

He said the government will encourage the colony's Chinese residents to make a final struggle to stay free in the coming 13 years. However, he added, the government will not shut its door to those Chinese who plan to settle in Taiwan, adding that entry rules for Hong Kong Chinese have been liberalized to the extent possible.

#### PRC, U.S. IN CONFLICT OVER TEXTILE REGULATIONS

OW190413 Taipei CNA in English 0340 GMT 19 Sep 84

[Text] Tokyo, Sept. 18 (CNA) -- A "textile war" has broken out between Washington and Peiping, the SANKEI SHIMBUN reported Tuesday. Washington is trying to choke the flow of textile imports from the communist-held mainland of China with a new "country of origin" rule, while Peiping threatens to retaliate by canceling grain purchases from the United States, the SANKEI SHIMBUN said.

Under the new rule, scheduled to take effect Sep. 7 but delayed until Oct. 31, "substantial transformation" of a garment made in a nation has to be proved before it can carry a label bearing that country's name. It is now a common and legal practice for garments to be shipped from country to country before being exported to the United States. Currently, the final assembling, labeling and shipping out determine a garment's country of origin.

The rule will shift country-of-origin status back to initial production sites, the China mainland with a low quota that is quickly filled.

"Though the new rule is applicable to all nations exporting garments (to the United States)," the SANKEI said, "it is apparently aimed at (Communist) China, simply because of the bulky size of its (garment) exports."

The current division of labor arrangement requires the Chinese Communists to supply the semi-finished garments and Hong Kong to assemble, label and ship the finished products to the United States. The Chinese Communists earn an estimated \$300 million a year in the deal.

"As a result," the SANKEI SHIMBUN said, "the new U.S. Government rule will deal a serious blow to (Communist) China." When the new rule goes into force, all such garments exported from Hong Kong will be assigned to the quota for the Chinese Communists, greatly reducing the textile exports to the United States from the mainland of China.

That was the reason why Chinese Communist "Ambassador" Chang Wen-chin filed a strong protest with the U.S. Government in mid-August and the NEW CHINA NEWS AGENCY published a commentary Sept. 8 hinting "retaliatory action" against "U.S. trade protectionism" the SANKEI SHIMBUN said.

Peiping already canceled a \$300,000 wheat purchase from the United States in mid-August to give Washington a foretaste of retaliation. The Chinese Communists canceled grain import contracts totaling \$400 million at the end of last year when Washington started tightening control over textile imports from the China mainland.

Despite the communist threat and appeals from American retailers and grain farmers, the "textile war" seems to escalate, the SANKEI SHIMBUN reported. What, in particular, complicates the problem is the U.S. presidential election scheduled for Nov. 6. The new rule, the paper continued, was spawned under pressure from textile makers in Dixie who resent "dumping" from overseas, chiefly by the Chinese Communists.



CABINET SEES NO PROGRESS IN U.S.-PRC COOPERATION

OW180407 Taipei CNA in English 0302 GMT 18 Sep 84

[Text] Taipei, Sep 17 (CNA) -- The Executive Yuan said Monday that the so-called strategic cooperation and technology transfer between the Peiping regime and Washington will not likely make any progress. In response to questions raised by Legislator Huang Chu-wen, the Cabinet said in a letter that this prediction is based upon the Peiping regime's policy of "never becoming attached to or siding with any superpowers."

Commenting on strategic cooperation, the letter explained that there are wide gaps and great differences between the parties in terms of both the scope and the levels of cooperation, while on technology transfer, it noted that although the Chinese Communists expressed welcome to the United States lifting of export bans, they do not have sufficient funds to pay for the equipment they want to obtain from the United States.

Furthermore, what the Peiping regime really wants from the U.S. is its transfer of technology rather than its sale of military equipment, which, the letter said, may not conform to the United States' original intention of cooperating with the Peiping regime, thus constituting a basic obstacle to the so-called strategic cooperation.

Peiping "Defense Minister" Chang Ai-ping's recent visit to the U.S. which the international community has mistakenly regarded as an improvement in Washington-Peiping relations, will hardly result in anything to help promote the desired progress between the two parties, the letter said.

ECONOMIC MINISTRY CAUTIONS AGAINST RESALE TO PRC

OW190307 Taipei CNA in English 0232 GMT 19 Sep 84

[Text] Kaohsiung, Sep 18 (CNA) -- The Export Processing Zone Administration of the Ministry of Economic Affairs on Tuesday urged the nation's manufacturers to be cautious in receiving orders to avoid falling into the trap set by the Chinese Communists. The administration said although there is no concrete evidence showing that the nation's products are being re-exported to the China mainland through a third country, the manufacturers still have to be careful and take precautionary measures against the Chinese Communist plots beforehand.

One of the principles the communists follow in dealing with capitalist countries is "the rope I bought from you today is for hanging you tomorrow," the administration said. Besides, the administration added, the communists have often failed to keep their word and there are a lot of examples of their philosophy that it is all right to scrap any signed with any other country if the situation turns out to be unfavorable to them.

As all products manufactured in the nation's processing zones are for export, the administration has asked the manufacturers to be cautious toward the Chinese Communists who might extend orders to them through a third country. It will be too late to say sorry after falling into the Chinese Communist re-export trick, the administration opened.

HIGH-CAPACITY FIBERS, MIDEAST COUNTRIES VIEWED

OW180727 Taipei CHINA POST in English 14 Sep 84 p 4

[Editorial: "High-Capacity Fibers"]

[Text] A significant breakthrough has been achieved by the Telecommunications Laboratories of the Ministry of Communications.

It is a low loss, high capacity Gimultimode Fiber, which meets the highest standards developed for telecommunications. Technology transfer to commercialization is under way to upgrade the domestic fiber glass industry. The Gimultimode has a loss of less than 2.1 DB/KM [decibels per kilometer].

A recent electro-optical instrument exhibit displayed the technology of fiber glass technology production. The telecommunications laboratory is sharing its achievements with local industries by transferring technology. The next objective is to develop a system called Wavelength Division Multiplexing.

Last July the International Exhibition of Optical and Electro-Optical Instruments was held in Taipei. A total of ninety-six institutes and manufacturers attended. On display were models of optical and electro-instruments, components systems and equipment produced by domestic and foreign manufacturers.

Highlights of the exhibition included the development of laser (light amplification by simulated emissions of radiation). Twelve groups participated in the exhibition, including National Taiwan University, National Tsing Hwa University, National Central University, and National Chiao Tug University.

The electro-optical industry has a bright future. It competes with the information industry as a strategic industry. It is estimated that by the end of this century, the sales of electro-optical products on the world market will reach as high as US\$125 to US\$250 billion. If the government will provide a good research and investment environment, the electro-optical industry will contribute a new and promising phase of high-tech development in the Republic of China [ROC].

It is recognized that the Republic of China has one of the best medical records in all of Asia. We have eliminated virtually all of the killer diseases. Foreign visitors do not need a vaccination certificate except when they re-enter their own country. The new developments in eye care mark another important step in Taiwan's impressive record.

Government officials are studying a proposal to improve medical assistance to Saudi Arabia; the ROC's medical group now includes more than 1,000 employees, mostly nurses. The plan now under study is estimated to cost approximately US\$750,000. It would permit nurses to enjoy government functionary status while serving for two years in Saudi Arabia.

After months of negotiation, ROC medical workers in Saudi Arabia will be given a 100 percent raise in salary. When the salary increases become effective, a nurse will have a monthly salary of more than US\$1,250 while doctors will receive US\$2,750. In another development, the United Arab Emirates asked the Republic of China to provide medical professionals in their country. The UAE has established a hospital near Dubai, which requires a medical staff of 250. The UAW has asked the Republic of China to send doctors and nurses on a contract service.

Saudi Arabia is the ROC's closest and best friend in the Middle East, and now we may be adding the UAE. More than medical assistance is involved. More significant is the goodwill and support of the nations we help serve.

WU XUEQIAN COMMENTS ON HONG KONG AGREEMENT

HK201230 Hong Kong Asia Television Limited in English 1200 GMT 20 Sep 84

[Text] China's foreign minister, Wu Xueqian, says that the joint liaison group will iron out any points in the Sino-British agreement which are not acceptable to the people of Hong Kong. Stacy Mosher reports:

[Begin recording] Mr Wu is in New York for the United Nations General Assembly session and attended a reception for Overseas Chinese at the Chinese Consulate in New York. In an exclusive interview with ATV, he said that the date of the initialing of the Sino-British agreement was not chosen to coincide with the UN meeting. Hong Kong is China and Britain's affair, he said, and doesn't call for international monitoring. Asked if the one country-two systems formula would be suitable for Taiwan as well, Mr Wu said that Taiwan would also be allowed to retain its present social systems and political system. However, this idea isn't being discussed because Taiwan isn't willing to consider reunification with China.

Mr Wu also said that the four special economic zones and 40 open cities aren't meant to serve as a model for Hong Kong under Chinese sovereignty. They are merely a way for China to develop more rapidly through introduction to advanced technology from the West, while the one country-two systems policy will actually allow a capitalist system in a communist country. Both systems will benefit China, Mr Wu believes. [end recording]

UK GOVERNMENT ENDORSES DRAFT ON HONG KONG FUTURE

HK210352 Hong Kong SOUTH CHINA MORNING POST in English 21 Sep 84 p 1

[By Michael Chugani]

[Text] London, Sep 20 -- The British Government this morning endorsed the draft agreement on Hong Kong's future -- clearing the way for its initialing next week in Peking. No date, however, was fixed for the two sides to put their initials on the document, which spells out Hong Kong's future for 50 years after 1997. But Britain and China are expected to announce within 48 hours when they will initial it.

Meanwhile, the Governor, Sir Edward Youde, said before leaving for Hong Kong that the Executive Council trip to London had been a "very valuable visit." He told newsmen at London airport that there had been a full discussion with the Prime Minister, Mrs Margaret Thatcher, and "there was a full identity of views." This was the same phrase used in a statement issued by Mrs Thatcher early Thursday morning, Hong Kong time, and carried in the SQM POST's second edition. (See Page 16). Sir Edward refused to say any more except to repeat that the initialing will take place in Peking next week.

At Downing Street, the Prime Minister this morning briefed her cabinet on what the visiting Executive Councillors had said to her last night on the draft agreement. The cabinet clearance for the draft agreement indicates there was no major opposition by Executive Council members on the final draft which they examined yesterday. Cabinet members had before them the draft text of the agreement which they were asked to consider. Although cabinet proceedings are confidential, it is generally thought approval was a foregone conclusion. "There just can't be any going back at this stage," one observer said.

Like the Executive Council, cabinet members have been kept very much in the picture throughout the negotiations and would have been familiar with most of the content. Mrs Thatcher took time explaining to her ministers the views of Hong Kong people as expressed to her last night by the Exco mission.



Although Executive Councillors appeared to have no major opposition to the draft agreement, they were nevertheless hesitant to talk about it. One source said the Executive Council mission to London was now fulfilled and it was up to the two sides to decide when to initial the document.

A Downing Street statement in the afternoon confirmed the cabinet had endorsed the agreement as well as having decided to initial it in Peking next week. The cabinet paid tribute to the British negotiating team, signing out the Foreign Secretary, Sir Geoffrey Howe, Sir Edward, Sir Percy Cradock and the British Ambassador to Peking, Sir Richard Evans, for particular praise. They also expressed their "admiration and gratitude for the constructive and statesmanlike role played by the Unofficials."

Although all involved remained tight-lipped, Sir Edward did drop a hint of what to expect next. When asked whether he will go to Peking, he said: "You will probably hear that within the next couple of days." He said it was a "rather important morning for Hong Kong because of the cabinet meeting." He threw more light on last night's statement from Downing Street by saying it was during the meeting with the Prime Minister that they had reached a "full identity of views."

After two days of hectic meetings Exco members took time out this morning to do some shopping, even though it was raining, before their flight home. The mood at last night's dinner hosted by Sir Geoffrey was said to have been buoyant. But Exco members this morning refused to say if a full identity of views meant they were fully satisfied with the deal and that it would be acceptable to the people of Hong Kong. Even though the agreement has now been endorsed by the cabinet and is ready for initialing, major related issues still need to be thrashed out. Top on the list are the General Arrangement on Tariffs and Trade (GATT) and other treaties which could not be tackled until agreement had been reached on the reversion of sovereignty to China. As one source explained, this treaty will have to be altered, which means the views of third countries will have to be sought. "But we don't foresee any difficulties," the source said.

British newspapers, television and radio all reported last night's meeting between Mrs Thatcher and the Exco. This morning's major dailies gave the story frontpage treatment alongside major domestic issues such as the political row about the sinking of the Argentine warship Belgrano, the miners' strike and the Liberal Party convention.

#### Text of Statement

HK210349 Hong Kong SOUTH CHINA MORNING POST in English 21 Sep 84 p 16

[Text] The following is the full text of the statement issued early yesterday morning after the Downing Street meeting between British ministers and the Hong Kong delegation presently in London. It was published in the SCM POST's second edition on Page 1 yesterday. "The Prime Minister and the Foreign Secretary this evening (Wednesday) has a meeting with the Governor and the Unofficial members of the Executive Council of Hong Kong. The Minister of State, Foreign and Commonwealth Office, Mr Richard Luce, was also present.

This was the fifth visit by the Governor and the Unofficials since July last year. This meeting took place on the eve of consideration by the cabinet of the draft joint declaration by the United Kingdom and Chinese governments on the question of Hong Kong.

"The meeting had a thorough discussion of the draft text which the British and Chinese negotiators in Peking had now referred to their respective governments for consideration.

This resulted in a full identity of views.

The Executive Council has throughout been fully consulted and informed about the negotiations between the British and Chinese governments. Her Majesty's Government placed on record their recognition of the valuable part which the close consultations between ministers and the Executive Council of Hong Kong have played throughout the negotiations. It was agreed that the same close consultations will continue in the future.

The Prime Minister and the Foreign Secretary expressed their understanding of the difficult role which the Unofficials had had to play in advising ministers and the Governor during the course of the negotiations. They reiterated their admiration for the way in which the Unofficials had fulfilled this role and for the way in which they had strongly represented the views and interests of the people of Hong Kong at all times."

#### Conscription for Residents

HK210350 Hong Kong HONG KONG STANDARD in English 21 Sep 84 p 1

[Text] Hong Kong people will have to do military service after 1997 -- but not outside the colony -- according to British media reports. The reports said that the draft agreement, which is to be published as a White Paper after it is initialled next week, would include the introduction of conscription in Hong Kong. However, this military service was expected to be in a separate force permanently stationed in Hong Kong, not in the main body of China's People's Liberation Army (PLA).

The conservative DAILY TELEGRAPH mentioned conscription as an ingredient in the draft text in an unsigned leading article. The leader said that the draft agreement would run to more than 200 paragraphs, including guarantees of continuity for Hong Kong's basic laws, the right to own property on Hong Kong Island, in Kowloon and "to a limited extent" in the New Territories, and an elected Legislative Council.

It went on: "The agreement's debit side (conscription into the Chinese army, etc) will be much outbalanced by its good things." More details were supplied by the liberal GUARDIAN's diplomatic correspondent, Patrick Keatley, in a radio interview. He said: "China is prepared to be flexible. That is, not to take the young Hong Kongers, put them into uniform, and send them to other parts of China.

"China recognises that this would cause dissent, and upset and shake up confidence in Hong Kong and in the outside world."

China would still have the right to send the PLA into Hong Kong if it wished or needed to.

He said the question of military arrangements after 1997 was one of the "very tough points on which negotiations had continued right up to the last minute." When he was contacted by telephone, Mr Keatley stressed that he had not seen the draft text. A Foreign Office spokesman said that reports on these lines were "speculation" and "not from official sources."

XU JIATUN DENIES MERGER OF HONG KONG, SHENZHEN

HK201136 Hong Kong Television Broadcast Limited in English 1100 GMT 20 Sep 84

[Text] Contrary to some rumors, Hong Kong will not be merged with Shenzhen. The assurance came today from the director of the NEW CHINA NEWS AGENCY branch in Hong Kong. May Wong reports:

[Begin recording] Hong Kong MCNA Director Xu Jiatun was in Shenzhen today to officiate at a groundbreaking ceremony. After the formalities, he told reporters that rumors of Hong Kong being merged with Shenzhen, before or after 1997, are untrue. But he says it is hard to say whether the merge will occur in 2047. Mr. Xu also said the NCNA in Hong Kong will not be conducting any public opinion polls on the contents of the draft agreement after they are revealed next week. But he welcomed people to voice their views.

Also officiating at the ceremony was the mayor of Shenzhen, Liang Xiang. Mr Liang says if the proposed project of building a Shenzhen international airport goes ahead, it will cost at least U.S. \$1 billion. He says most of this money would probably come from foreign investors. But whether the project will take the form of a loan or as a joint venture has not been decided. Mr Liang said the feasibility study on building the airport has been completed, but no instructions have yet come from the central government. [end recording]

GROUP ASKS U.S. TO SUSPEND TEXTILE RULES

HK200250 Hong Kong HONG KONG STANDARD in English 20 Sep 84 Business Standard Supplement p 1

[By Patrick Tang]

[Text] The newly-formed Joint Associations' Committee for Trade and Industry (Jacti) yesterday asked the U.S. Government to suspend the new U.S. textile import regulations. Representatives of the committee, which came into existence to put up a joint front against the rules, met the U.S. consul-general here and handed over a letter expressing strong protests over the U.S. move. Jacti chairman J.P. Lee said it is the first time in Hong Kong that chambers of commerce and industry of different national groupings had joined to express a common concern. "It is a concern against unreasonable trade procedures and documentation, it is indeed a call for the preservation of free trade in the world economy for the benefit of all trading partners," Mr Lee said. He said the local business community is unanimous in its opposition to the new U.S. regulations. "This is demonstrated by the large number of textiles and non-textiles associations in Hong Kong voicing their dissatisfaction and urging withdrawal of the new rules," he said.

On the reply given by the U.S. Government to the Joint Committee of the Hong Kong Knitwear Associations, Mr Lee said he shared the views of its chairman, Kenneth Fang, that many questions remained unanswered and that the whole situation was still very disappointing and unsatisfactory. In their letter to the U.S. Consul-General, Jacti pointed out the adverse affects of the new regulations on local industry and world trade. "The committee believes that the changes in country-of-origin and substantial and burdensome documentation requirements for textile products entering the U.S. will adversely and seriously affect Hong Kong's legitimate textile trade with the U.S. and the established good economic relations between the U.S. and Hong Kong," the letter said. Jacti said the application of the origin rule has much wider implications for world trade in textiles and for international trade in many other markets.



Under the new origin rules, the U.S. Government appears to be using an interpretation of "substantial transformation" which, the letter said, is in conflict with Hong Kong practice and the U.S. Customs Court ruling 80/10, which was already adopted when the bilateral textile agreement was signed between the United States and Hong Kong. Jacti said the origin criteria adopted by Hong Kong are based on the concept of "substantial transformation" and are in line with general international practice.

The letter said the documentation requirements under the new regulations will immensely complicate import procedures and require unnecessary and damaging disclosure of confidential commercial information. "The criteria for U.S. Customs determination of origin for textile imports will place a very substantial discretion in the hands of individual U.S. Customs officers leading to administrative chaos and serious delays at the ports of clearance.

"Exporters and importers will in no way be certain whether the goods shipped will gain entry into the United States."

As a result, Jact warned, orderly trade in quota controlled textiles between Hong Kong and the United States will become virtually impossible. The effect would be extremely serious for the Hong Kong textile industry and for the Hong Kong economy.

The letter refuted the U.S. Government's contention that the interim regulations are necessary to plug loopholes and prevent "fraudulent shipments" and circumvention of multilateral and bilateral agreements.

"We must point out that there are provisions under the Hong Kong-United States Agreement for consultation and action in such circumstances, and under the present controls administered by the Hong Kong government.

"The United States therefore has adequate means to ask the Hong Kong government to investigate situations where fraud or circumvention is suspected to have taken place. The changes in the regulations will only frustrate legitimate international trade, but will not necessarily prevent fraud or circumvention," the committee said.

The new restrictions create unreasonable non-tariff barriers to trade and violate the provisions of the bilateral textiles agreement between the United States and Hong Kong under the Multi-Fibre Arrangement (MFA).

In view of the serious potential adverse effect of the new rules on world trade, Jacti asked the U.S. Government to suspend the regulations immediately and enter into consultation with exporting countries including Hong Kong. In addition to the representation, Jacti is planning to step up lobbying in the U.S. An American lawyer is expected to be entrusted with the job. Vice Chairman T.W. Wong told the Business Standard that the American lawyer will arrive in Hong Kong on October 25 or 26 for discussion with the committee on how best to conduct the lobbying effect.

Meanwhile in Washington, retail trade and agriculture representatives on Tuesday joined forces in opposition to further curbs on textile imports.

U.S. farms groups said that import protection for domestic textile industries could lose farmers a major export market, if China retaliated against the restrictions.

ARTICLE ON DENG XIAOPING'S DAUGHTER MAO MAO

HK200841 Hong Kong PAI HSING in Chinese No 80, 16 Sep 84 pp 3, 4

["Dispatch" from New York by Lu Keng on 5 September: "The Story of Deng Xiaoping's Daughter -- Mao Mao and Her Article"]

## [Text] Foreword

So long as China does not break away from the traditional "politics of virtuous men," the situation characterized by the saying "when a man gets to the top, all his friends and relatives get there with him; when a man is declared guilty all his kindred are implicated" will always exist in China. The question now is the extent of the situation. Because Deng Xiaoping was labeled as the "country's number two person in authority taking the capitalist road" during the "Cultural Revolution," his eldest son Deng Pufang was made a cripple. Now that Deng Xiaoping has become the virtual leader of the Chinese mainland, Deng Pufang was accorded an especially grand reception when he came to Hong Kong to collect donations in his capacity as the "deputy in chief of the China Welfare Fund for the Handicapped." Judging from what he said, he did not approve of "petticoat influence." Therefore, when asked if there was a possibility of Deng Xiaoping visiting Hong Kong, he manifested his proud and aloof airs by blandly saying: "That is his business." In fact, those who are familiar with the Deng family know that his family members have always had a strong aversion to the "inconstancy of human relationships and changes in the ways of the world." This has been fully reflected in "My Father's Days in Jiangxi," an article on Deng Xiaoping's life in exile written by Deng Pufang's youngest sister Mao Mao.

## Going Through All Kinds of Inconstancy of Human Relationships in Unusual Times

Mao Mao is the pet name of Deng Rong, the youngest daughter of Deng Xiaoping. Deng Xiaoping and his wife Pu Zhuolin have two sons and three daughters: Deng Pufang, Deng Zhifang, Deng Lin, Deng Nan, and Deng Rong.

From the names of the five children we can see a common point, that is, there is a basic structural part in the formation of their names, which is obviously derived from the Chinese characters meaning the firm, the enduring, the simple, and the modest. It was stated in the "Confucian Anelects -- Zilu" that "the firm, the enduring, the simple, and the modest are near to virtue." In her article, Mao Mao described her father an introvert and a man of few words. A friend of mine, who knows Deng Xiaoping's wife Pu Zhuolin, said that Pu Zhuolin is upright and sensible and that she displayed manly fortitude when she studied at Beijing Girls' Normal University many years ago. Therefore, she and Deng Xiaoping make a firm, enduring, simple, and modest couple.

Mao Mao, however, is different. Lively, unaffected, frank, and competent, she may well be the only extrovert in the Deng family. Mao Mao is the fourth child in the family. While working in the rural areas as an educated youth, she was married to He Ping, a son of He Biao, who once served as head of the PLA Public Health Department. They have a daughter. Deng Xiaoping likes this little granddaughter the most. When Deng returned to Beijing from a visit to the United States in 1979, Hua Guofeng and other important leaders went to the airport to welcome him but the first person he greeted when he stepped down from the plane was this little girl. This not only showed that blood is thicker than water but also manifested Deng Xiaoping's natural temperament.

Mao Mao and He Ping met each other when educated urban youths went and worked in the rural or mountain areas. In her article she said: "I have gone through all kinds of inconstancy of human relationships since I grew up." It was when the daughter of the "country's number two capitalist roader" was discriminated against that He Ping offered his love and married her.

After China established diplomatic relations with the United States in 1979, both Mao Mao and He Ping were sent to work in the Chinese Embassy in Washington. Mao Mao worked in the Overseas Chinese affairs section while He Ping worked in the military attache's office. For fear of revealing their identity, the sons and daughters of senior Chinese cadres frequently use pseudonyms when they go abroad. Mao Mao also changed her name Deng Rong to Xiao Rong. Because of her down-to-earth style of work, conscientious service, sincere attitude, candid speech, and pleasant attitude in answer to questions, she left a very good impression on ordinary foreign citizens of Chinese origin in her dealings with them.

#### She Is Neither Supercilious Nor Obsequious in Her Dealings With Foreigners

Eager to learn and to think over problems, Mao Mao made great progress in English during her 4-year stay in the United States. She also attended a course in U.S. Government administration at Johns Hopkins University.

In order to have an intimate understanding of Overseas Chinese conditions and to identify herself with the Overseas Chinese, she occasionally went to their homes as a guest. At dinner time she not only helped the hostess carry trays and set the table but also vied with the host to mow the lawn. It was only after she was transferred home that some of the people who had entertained her at dinner learned that Miss Xiao Rong was Deng Xiaoping's daughter.

While in Washington, Xiao Rong avoided as far as possible being connected with her family background. She was disgusted with some people who, after learning of her background from other sources, tried to curry favor with her. More often than not she cold-shouldered these people. And she was once heard to say half jokingly and half seriously: "Perhaps this person does not want to get acquainted with me but with Deng Xiaoping's daughter."

In her dealings with foreigners, she paid close attention to her dress and was neither supercilious nor obsequious in her speech. She knew what to say and what not to say; under no circumstances would she go beyond the limits. Many foreigners are profuse in praise at the mention of her name.

There are always intrigues against one other among the Chinese, especially in official circles, but Deng Rong was always magnanimous to those who tried to cheat or outwit one another. Even when people said something unpleasant about her in their reports to the higher authorities, she always dismissed it with a laugh, saying: "I don't care about it as long as I do the right thing."

Mao Mao showed the utmost solicitude for her sister-in-law and younger brother, who was studying physics in Rochester. On Christmas or Spring Festival she would say: "On festive occasions more than ever we think of our dear ones far away." She would ask them to come to Washington to celebrate the holidays together. Ordinarily she would encourage her brother to go to more places and to see more things in order to enrich his knowledge. She asked him to study conscientiously and not to become a bookworm. Deng Zhifang spared no efforts in studying quantum physics. He studied 13 hours a day, 7 days a week. Before his wife Xiao Liu arrived in Rochester, he had no amusements other than watching the news on television every night. And after her arrival in Rochester, they went out only on holidays.



Nobel-prize winner Lee Tsung-dao gave Deng Zhifang lessons for a time. The professor, who had trained hundreds of qualified personnel in physics for China, spoke favorably of him. He said: "Deng Zhifang has a burning thirst for knowledge and an enterprising spirit and, being good at using his head, is a good pupil."

With the exception of her younger brother, Mao Mao was most concerned about her eldest brother. Implicated in his father's case during the "Cultural Revolution," Deng Pufang was expelled from the party by the "rebel group" in Beijing University in 1968 and was forced to jump from a fourth floor window. As a result, he broke his spine and became a cripple. He was later sent to Qinghe welfare center in Beijing, where he was more dead than alive. Thanks to their aunt Deng Xianqun, who tried by every possible means to locate his whereabouts, and to the help of Wang Fengwu, a worker with a sense of justice, Deng Pufang had a narrow escape from death. Deng Xianqun is Deng Xiaoping's step-sister. She is the daughter of Deng Xiaoping's step-mother who accompanied Deng Xiaoping and his wife to Jiangxi and who was praised by Mao Mao in her article as an old woman with good sense and deeply conscious of the cardinal principles of righteousness. Deng Xianqun wrote a letter to her brother, sister-in-law, and mother, informing them of Deng Pufang's conditions. And so Deng Xiaoping applied for permission to bring Deng Pufang to their side in his report to Mao Zedong.

Of the five children in the Deng family, Deng Pufang was the most intelligent. He studied best and won his parents' best favor. Who could have imagined that he would be paralyzed in a calamity, from which there would be no escape. Fortunately he was broken in health but not in spirit. He not only accepted the challenge of fate but also resolved to change the fates of the 20 million handicapped people on the Chinese mainland. As a result of this, however, Mao Mao has taken over the place of her brother and become competent in all she does, both inside and outside the house.

That is also why "My Father's Days in Jiangxi" was written by Mao Mao.

Recollections of the Cultural Revolution Reflect the Tragic Lot of the Chinese Nation

Mao Mao's article has not only drawn the widespread attention of the Chinese people but also evoked strong reactions from abroad. THE WASHINGTON POST, NEW YORK TIMES, and other major newspapers gave this article wide coverage because they know that Deng Xiaoping is the principal architect of the four modernizations on the Chinese mainland and the motivating force propelling China into the 21st century and ending China's isolated position in the world. In a sense, his sad past reflects the tragic lot of the Chinese nation. And this great nation is widely expected to march in the front rank of the world in the 21st century.

Mao Mao's article should never be regarded merely as a recollection of Deng Xiaoping's life in exile. The publication of this article is of great significance in the following three aspects:

1. It marks the thorough negation of the proletarian "Great Cultural Revolution" personally initiated and led by Mao Zedong. This recollection, which Mao Mao wrote on behalf of her parents, represents a direct indictment of the "Great Cultural Revolution." There is something held back in this indictment, though. For example, Mao Mao mentioned only the reason for her elder brother's paralysis but held back the fact that her third uncle was beaten to death while serving as head of Liuzhi County in Guizhou. In spite of this, however, because this indictment has come from Deng Xiaoping, who has both moral strength and authority in China (when nominating Deng Xiaoping as the man of the year in 1978, the U.S. TIME magazine particularly pointed out that this is what the other Chinese leaders lack), it is particularly forceful and exciting.

2. It profoundly shows that the path Deng Xiaoping takes today is not prompted by a sudden impulse. Nor is it an expedient measure. The decision was taken after infinite pains and careful considerations. When describing the serious, silent expression of the "country's number two capitalist roader" (the number one capitalist roader has died) while he was taking a stroll in the courtyard of a red-brick building in Xinjian County's Wangchenggang, Jiangxi Province, Mao Mao pointed out: "His faith, his ideas and determination must have become clearer and firmer with each sure and fast-moving step." This is tantamount to an announcement: Deng Xiaoping is duty-bound not to turn back from the path of opening to the outside world, of developing the productive forces, and of raising the living standard of the people.

3. Mao Mao's article reflects the fine traditions of the Chinese people who attach importance to ethics, morality, and culture. Nobody will remain untouched when they read her description of the mutual help among the members of the Deng family under the most difficult conditions. Firm, calm, unafraid of difficulties, gentle, and far-sighted, Deng Xiaoping, his wife, and the old woman with a lifetime of frustrations were always optimistic. Does this not precisely reflect the **tenacity** characteristic of the Chinese people?

What is China's path? All who have a deep love for China can find an answer to this question from Mao Mao's article.

Free of party jargon and the specters of Marx, Lenin, Stalin, and Mao Zedong, this article is an excellent one!

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**DATE FILMED**

***24 SEPT 84***

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